

هناك ما لا يقل عن

to Evolve

berg carries out the threat. "There is, to be sure, an element of truth in this critique, and Schoenberg has never been forgiven. Paradoxically, he revered the tradition and the stylistic unity it made possible. Despite his defensiveness about his work, he never intended to tear down the entire tonal system. He moved to the United States in 1933 and eventually settled in Los Angeles, where he briefly became a friend and tennis partner of George Gershwin, whom he respected immensely. There was nothing paralyzing about this respect. Schoenberg simply felt that the serious music of high culture operated on a different plane from other music, and radical currents had been sweeping through serious music for some time.

He felt compelled, almost against his will, to dismantle existing procedures and devise new ones. It was a dirty job, in other words, but somebody had to do it. What, exactly, needed to be done? Before the century was a decade old, the system of tonality was in crisis, and whatever one ultimately thinks of Schoenberg's solutions, his analysis of the problem was astute, convincing and courageous. Although tonal music is ubiquitous, the concept of tonality is hard to describe. In its most common manifestation, music acting as major and minor keys, tonality is a system of organizing pitch in accordance with acoustical principles. A certain pitch (say, the C of the C major scale) is fundamental. The other pitches of the scale relate to that fundamental in an audible hierarchy of importance. Whatever happens, the music has to keep referring back to that fundamental.

Some opera fans will pass the poster for "Moses und Aaron" outside the Met, curse Schoenberg's name and go inside to buy tickets for "Aida." They will miss the work of a composer placing everything on the line, may be crossing that line but not caring, so powerful was his compulsion to create this opera.

ping yourself up." Came told the Times of London in an interview. Meeting the model Shakira Baksh changed all that. "I stopped when I met her," he said. "Romance took over the rest of course, women do not like to be alone."

Flees Australian Stage

and shock rocker Marilyn Manson stormed out with minutes and abuse at a concert here and members of ambulance crews said the company said the injured at Sunday's gig were not serious, who was treated for a cut on his forehead. Most of the injured fans were taken to hospital, but some were more seriously hurt when Manson left the stage before leaving the stage. Manson said that he had walked off because he was angry, but that the concert would not affect his career.



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Going It Alone, U.S. Upsets France

So Paris Begins a Campaign to Strengthen Multilateral Institutions

By John Vinocur
International Herald Tribune

PARIS — France is undertaking an active campaign to strengthen multilateral institutions as part of an effort to define the United States' potential for unilateral action as one of the world's great worries. It is, in effect, an attempt to limit American power and to convince other countries that they should work together to contain it.

The French initiative has come into focus over the last three months through statements by President Jacques Chirac, Prime Minister Lionel Jospin and Foreign Minister Hubert Vedrine. One of the other has asserted that a new American unilateralism has come to life, that it is unacceptable and that France will offer the General Assembly of the United Nations a set of principles for building a new international order "excluding unilateral temptations and leading to shared management of global risks and threats."

In the context of a decades-long register of French criticism of the American exercise of power, and the almost institutionalized quality of needling between centuries-old allies, the new initiative is different in two main respects.

It casts the United States as a primary international problem, a hegemonic force blocking power-sharing in the new century. And it proposes reforming, restructuring or reinforcing a number of international institutions, among them the UN Security Council or the International Monetary Fund, as a means of containing or counteracting American power.

From an American point of view, the French approach is regarded as unwelcome and exasperating. Its systematic, almost codified aspects — France has laid out lists of "principles" for guiding the response to American power in wide areas of activity — is seen as bringing a new, uneasy dimension to global affairs.

The Americans find French self-interest dominating France's definition of the American world role. They insist that France disregards such elements as its own unilateral resumption of nuclear weapons testing or Europe's current lead position in the international attempt to resolve the confrontation in Kosovo. From the perspective of France, the United States cannot seem to embrace a multipolar world, and American unilateralism is an obvious emerging element in relation to Iraq and in dealing with talks on trade, the environment and the international justice system.

The significance of the French initiative will be apparent in the response it receives in Europe and beyond. As explained a fortnight ago by Alain Peyrefitte, a former cabinet minister under de Gaulle and now a guardian of Gaullist legitimacy, the problem with all French undertakings challenging American authority was that most of the world was quite content with what he called American domination.

But France may feel encouraged by recent remarks from Japanese officials complaining of "American dominance" in finance and trade and by Japanese positions that tend to align with French ones on reforming international financial

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VENEZUELA'S NEW CHIEF — Hugo Chavez, the new president of Venezuela, saluting the crowd Tuesday as he entered the National Congress to be sworn in. Dubbed "Hurricane Hugo," he has promised a revolution to clean up the country's chronic corruption. Page 3.

Terrorists Set to Strike U.S. Targets 'Any Time'

Bin Laden Seeking 'Vulnerable' Spots, CIA Director Warns

By Brian Knowlton
International Herald Tribune

WASHINGTON — The CIA director warned Tuesday that terrorist attacks on U.S. targets could be launched "at any time" by forces loyal to Osama bin Laden, the exiled Saudi millionaire blamed for the bombings last year of two U.S. embassies in Africa.

George Tenet, director of central intelligence, told the Senate Armed Services Committee that "there is not the slightest doubt that Osama bin Laden, his worldwide allies and his sympathizers are planning further attacks against us."

Mr. Tenet also expressed serious concern about stability in North Korea. "I can hardly overstate my concern," he said. "In nearly all respects the situation there has become more volatile."

Mr. bin Laden's "overarching aim," Mr. Tenet said, is to force a U.S. military withdrawal from the Gulf, where thousands of U.S. soldiers and sailors have been based since Iraqi forces invaded Kuwait in 1990 and were expelled the next year in the Gulf War. He added, however, that "he will strike anywhere in the world he thinks we are vulnerable."

Attacks using conventional explosives were most likely, Mr. Tenet said, but kidnappings and assassinations were possible. He added that U.S. officials were concerned that Mr. bin Laden or other terrorist groups might obtain and use chemical or biological weapons.

Last month, Richard Clarke, the government's senior counterterrorism official, said there was no evidence that Mr. bin Laden had yet acquired such arms. But Mr. Tenet said Mr. bin Laden's group was "just one of a dozen terrorist groups that have expressed an interest in or have sought chemical, biological, radiological or nuclear weapons."

On Aug. 7, powerful conventional bombs leveled the U.S. embassies in Kenya and Tanzania, claiming the lives of about 250 Africans and Americans. The United States, saying it had evidence linking the attacks to Mr. bin Laden, fired Tomahawk cruise missiles later that month at his base in southern Afghanistan. Since then, U.S. efforts to counter terrorism and protect U.S. facilities at home and abroad have been dramatically heightened. President Bill Clinton has proposed a \$10 billion package of measures to protect the country from terrorist attack. (Page 2)

Recently, Mr. Tenet said, U.S. intelligence sources observed "activity similar to what occurred prior to the African embassy bombings." He did not say where.

"I must tell you we are concerned that one or more of bin Laden's attacks could occur at any time," he said.

Mr. Tenet also made these points:

- Signs of social decay have increased in North Korea. "Crime and indiscipline are commonplace, even in the military and security services," he said. With North Koreans more likely than before to blame the nation's leader, Kim Jong Il, for their problems, Pyongyang is likely to rely on "risky brinkmanship" in its dealings with Washington.
- Iran is "more likely to face serious unrest in 1999 than at any time since the revolution 20 years ago." Moderates represented by President Mohammed Khatami, he said, "are on the defense to a greater degree than ever before."

Message to Shaky World Economies: You'd Better Get Used to It

By Jonathan Gage
International Herald Tribune

DAVOS, Switzerland — As a jazz orchestra played and lights twinkled across an immense indoor swimming pool, the party-goers looked out over a sea of loaded buffet tables and surveyed the feast: Should they choose the smoked salmon, the foie gras or the shrimp royale? Or maybe all three?

Such were the harrowing choices last weekend at Davos as the mandarins of the world's financial establishment took a break from the tough work of patching up the global economy.

As they partied, the 2,000 policymakers, political leaders and chiefs of multinational businesses practiced what they have been preaching: redefining the global economy with a burst of consumption in

hopes of powering a demand-driven economic recovery. But back in the real world that message has failed to take root, they acknowledged.

And so there was not a whole lot to celebrate at this year's gathering of the World Economic Forum, 19 months after the onset of Asia's financial crisis and as intermittent tremors still shake economies around the world.

Indeed, the real message to emerge at Davos over the past week was: Get used to it. Financial turmoil and trouble is here for the long term and something the world must learn to live with.

One thing is clear, said the U.S. Treasury secretary, Robert Rubin. There are no "easy answers and no magic wands," he said, for overhauling financial institutions to make the world safe for global capitalism.

This is because no one really knows what to do.

Ted Hall, a director of consultants McKinsey & Co., said that first and foremost, "we have a crisis of thinking and facts, and we are trapped by them."

While markets become truly transnational and nearly instantaneous, he said, "there is no evidence of anyone trying to treat the problems as anything other than a national problem."

For the moment, many participants said, the best hope is to learn enough about the new world of global markets and technology to ride out the inevitable cycles of crises.

"All participants know globality is here to stay," said Senator John Kerry of Massachusetts, reporting back from private talks here among dozens of government leaders and other officials.

"No government thinks it can block the tide of globalization and technological change."

However, he said "there was no sense that there should be some larger new international structure" to ride herd on the world's financial markets.

Kenneth Couris, chief economist and strategist for Deutsche Bank Group, agreed. The Davos conferees "aren't going to do anything dramatic, big and universal," he said.

Despite the pain the current crisis has caused in developing economies around the world, he said, it "was far too short and far too small to effect real change, particularly because it hardly affected the world's core economies."

"We may fix some plumbing or holes in the

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You Can Strike It Rich — but Happy?

Small Investors Are Trading On-Line and Driving Market

By Tim Smart
Washington Post Service

WASHINGTON — Cathy Wilkinson and Vinnie Cumming are two of the reasons the American economy is on fire.

Both are avid investors in the stock market — Mrs. Wilkinson a novice, Mr. Cumming a veteran — but each shows the way Wall Street has evolved in the past couple of decades from a province of the wealthy to a marketplace for the masses.

Their experiences and behavior show how far the market permeates daily life for many people, so much so that chatting about stocks now has replaced talk about real estate as the topic du jour of the middle class.

Just ask Mrs. Wilkinson, a 45-year-old mother of four in Dewey, Arizona, who listens to the morning market commentary on National Public Radio while driving her children to school in her 1999 Volkswagen Beetle.

The children regularly check their mother's portfolio by personal computer and offer tips, recently urging her to buy shares in Walt Disney Co.

"I have a pretty specific goal in this E*Trade account," she said, referring to the on-line brokerage that she uses to buy and sell stocks. "Any money made is to go to their private-school tuition. That was my lofty goal when I set it up."

Mr. Cumming, on the other hand, is a Virginia mail carrier who does not even own a personal computer. But he does watch "The Nightly Business Report" on public television each evening.

Mr. Cumming, 58, has been investing steadily in the market

Dark Side of American Dream: Money Can't Buy Well-Being

By Alfie Kohn
New York Times Service

NEW YORK — The adage that money cannot buy happiness may be familiar but is easily forgotten in a consumer society. A much more persistent and seductive message is beamed from every television screen: Contentment is available for the price of this car, that computer, a little more getting and spending.

Over the last few years, however, psychological researchers have been amassing an impressive body of data suggesting that satisfaction simply is not for sale. Not only does having more things prove to be unfulfilling, but people for whom affluence is a priority in life tend to experience an unusual degree of anxiety and depression as well as a lower overall level of well-being.

Likewise, those who would like nothing more than to be famous or attractive do not fare as well, psychologically speaking, as those who primarily want to develop close relationships, become more self-aware, or contribute to the community.

Earlier research had demonstrated that neither income nor attractiveness was strongly correlated with a sense of well-being. But Richard Ryan, professor of psychology at the University of Rochester, and Tim Kasser, a former student who is now an assistant professor of psychology at Knox College in Illinois, have discovered that the news is even worse.

In three sets of studies published in leading psychology journals since 1993, with a new article expected later this year



UPHEAVAL IN BRAZIL — A trader reacting from the head of the central bank was replaced, just a week after he had been confirmed in the job. The new bank chief is a former fund manager for the financier George Soros. Page 11.

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The Dollar			
New York	Tuesday @ 4 P.M.	previous close	
Euro	1.1341	1.13	
Pound	1.6388	1.6412	
Yen	112.145	115.05	
DM	1.7228	1.7303	
FF	5.7847	5.8032	
Dollars per pound and per euro			
The Dow			
Tuesday close	percent change		
-71.58	9,274.12	-0.77%	
S&P 500			
-11.02	1,261.88	-0.87%	
Nasdaq			
-46.86	2,463.43	-1.88%	

Hong Kong Flocks to Mall of the Fake

By Mark Landler
New York Times Service

SHENZHEN, China — Priced at \$58, the Rolex watch in the store window here seemed like a pretty good deal.

It was a fake, to be sure. But as the eager shopkeeper pointed out, "The parts were made in Switzerland." And a genuine Rolex would set you back at least \$2,800 in a jewelry shop across the border in Hong Kong.

"Name your price," the young woman implored, when the shopper's gaze drifted to a rack of handbags next door. "Please," she said in a plaintive tone as phony as her merchandise. "I haven't had any business today."

Every day, an estimated 90,000 people travel by train or bus from Hong Kong across the border to Shenzhen, a raucous boomtown of thriving skyscrapers and bottom-feeding nightclubs. Many head straight for Lo Wu Commercial City, a giant shopping mall devoted to imitation luxury goods.

On a recent Sunday, crowds surged through the maze of corridors, mobbing hundreds of tiny stores selling fake Gucci shoes, Fendi clothing, Prada bags and Chanel wallets. While women rummaged through piles of merchandise, their husbands loitered outside, knee-deep in shopping bags. As shoppers elbowed one another aside for coveted items, scuffles broke out.

With five floors and 500,000 square feet of retail space, Lo Wu may be the world capital of counterfeit goods. It is also just 45 minutes away from the gilded boutiques of Hong Kong.

"We're obviously very concerned — we're also very disillusioned," said Kevin Ching, executive director of Dickson Concepts, a retail company that distributes Polo, Rolex and other upscale brands in Hong Kong.

Lo Wu was built in 1994 to capitalize on the closer ties between China and Hong Kong as the 1997 handover of the British colony to China approached. But it has become a rage among Hong Kong

See FAKES, Page 8

AGENDA

Hussein Gets Bone Marrow Transplant

AMMAN, Jordan (Reuters) — King Hussein, being treated in the United States after a cancer relapse, completed a bone marrow transplant on Tuesday, said Marwan Muasher, the Jordanian ambassador to Washington.

Mr. Muasher, speaking from the Mayo Clinic, where the king returned for urgent treatment last week, said the 63-year-old monarch was "holding up very well" but would be closely monitored for the next two weeks.

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The IHT on-line www.ihb.com

Quick Kosovo Pact?

Negotiators who will direct the talks this weekend between the Serbs and ethnic Albanians over Kosovo believe that they will have to impose a quick compromise accord on the parties, according to diplomats. Page 5.

Tony Blair, Statesman — or Showman? A Few Critics Dare to Boo

By Warren Hoge
New York Times Service

LONDON — He is youthful, articulate and visionary, leader of a nation in dramatic transition, with a compassionate vision and a ruthless dedication to seeing it through. His name is Tony Blair.

He is all style and fluff, a spiffy promoter with a preachy speaking manner and a trendy tendency to put the possessive "people's" before the mention of any British institution and the verb "modernize" in any sentence about his goals

for the country. His name is also Tony Blair.

Twenty months after he led Britain's "new" Labour Party to power, it is the first image of Britain's attention-getting 45-year-old prime minister that is prevailing — much to the consternation of his Conservative opponents, who have failed to put across the second.

But while he is the most popular prime minister in British history and no one questions his extraordinary public appeal, people are asking what is actually inside the enticingly wrapped package he is offering.

Mr. Blair says he is leading a "radical" 10-year project that will free Britain from the grip of class consciousness, energize the individual parts of Britain by yielding much of London's authority over them, liberate British business from restrictions that discourage enterprise and punish risk-taking, reduce the poor's dependency on the state, and end Britain's estrangement from the Continent and make it a leader in Europe.

Still, the Blair government's emphasis on presentation, or "spin," has left it vulnerable to criticism that all this may represent slick talk of

accomplishment, not solid accomplishment itself.

"A gravity-defying victory of style over substance," is the verdict of one critic. Boris Johnson, columnist for the conservative Daily Telegraph. Mr. Blair's government, said Michael Gove, a columnist for The Times of London, "is about entrenching a clique's hold on power, not advancing policies for the nation."

The end-of-year list of achievements put out in December by No. 10 Downing Street included the

See BLAIR, Page 5

An Orangutan Interest Story / St. Petersburg Zoo All Abuzz

Meet Monica,
A Rising Artiste
But Bad MotherBy Daniel Williams
Washington Post Service

ST. PETERSBURG — She was an accomplished painter, and he was an immigrant from the Netherlands with a certain attraction — not to mention the size of a first baseman's mitt.

It wasn't love at first sight, but the pair shared an interest in swinging and vegetarianism. She soon gave birth to a baby boy with a head of fuzzy hair. But she was hindered by a secret, painful past and couldn't bond with the newborn. Doctors decided it would be better to take the wide-eyed baby away, at least until the mother learns child rearing from videos they plan to show her. If things go well — and if she can get hubby to put the videos on the tube instead of the wild adventure movies he likes — the family will be reunited.

Human interest story, you say? Not quite. Mom, pop and son are orangutans, and their bittersweet story lit up the otherwise dark winter in St. Petersburg, the decaying second city of Russia. And the fascination owes nothing to the fact that the mother in question is named Monica.

Monica is the latest in a long line of Russian animal celebrities whose lives have been altered by weird experiments in the interest of science and entertainment. Pavlov, whose dogs made behavioral science history by salivating at the sound of a bell, worked near St. Petersburg. The Soviet Union was the first country to send dogs into space. (They burned up during re-entry.) For almost a century in Moscow, the Durov family of circus performers has won fame by teaching the unlikely animals to do tricks: their legacy lives on at the Durov Animal Theater in the capital, where ravens turn the pages of books, cats ring bells, foxes play hide-and-seek, and monkeys ride dogs.

Monica has been taught to paint under the direction of researchers at — where else? — the Pavlov Institute on this city's outskirts. Her family saga contains an ironic twist: the researchers are having to teach her to be a mother.

Monica's home is the St. Petersburg Zoo, a kind of "Lower Depths" of the animal world. In winter, it is particularly bleak. Most of the animals are kept inside leathery-smelling buildings lit by artificial light. The only inmates on view outside are those accustomed to the climate: wolves with abundant fur, giant lumbering brown bears, thick-pawed Asian tigers, stocky Mongolian horses and mysterious Japanese monkeys with red faces that seem to glow. Snowdrifts press against the chockablock cages in the 19th-century park.

Like almost every public institution in Russia, the zoo needs money, and Monica's problems have brought welcome publicity. "We have an animal adoption program here, and we would like foreigners to make donations to support our animals," said the zoo's director, Ivan Korneyev. Monica and her family are taken care of, but there are plenty of owls available.

Monica arrived in St. Petersburg from Poland in 1987, through a purchase that was later found to be shady. Zookeepers are reluctant to discuss the details, but it seems she was smuggled while quite young from her native Sumatra through Poland in



Monica, the latest in a line of Russian animal celebrities whose lives have been altered by experiments, warming up for her art lesson by chomping on a pencil.

some sort of monkey-laundry scheme. The zoo kept her anyway. She thrived and became a favorite of visitors.

Pavlov Institute scientists decided to teach her to paint as part of a comparative study of primates and human children. According to a psychologist at the institute, Leonid Firsov, orangutans and children to about age 3 draw the same way and can be taught the same things. Both can distinguish among colors and recognize shapes. Monica, for instance, after gazing at a blue quadrangle and a red disc, was able to color a white square blue and a blank circle red. "Of course, children go on to learn more," Mr. Firsov said. "The animals will not learn to draw representative objects. We are trying to understand the biological roots of creativity."

MONICA took eagerly to several media: crayons, pencils and paint. At first, she seemed interested mainly in performance art — she colored her nose instead of the cardboard sheets presented to her.

Nonetheless, Monica soon became a prolific painter, and her art teacher mounted an exhibit at a St. Petersburg gallery. No socialist realism for her; her work was strictly free-form. At the exhibit's Champagne opening, local intelligentsia earnestly discussed her technique of splashing paint on the canvases. One innovation: Monica decorated the back as well as the front.

In the middle of her budding fame came Rabu, orangutan and former resident of a Dutch zoo. He was imported as part of a program to breed wild animals in captivity as a means of curbing the illegal trade in such species. After some unfriendly tossing of fruit at each other, Rabu and Monica began to hold hands. Rabu knew how to please: a tickle under the elbow still makes Monica's honey-colored eyes shine. Before you could say "natural selection," a baby — Ramon — was born.

The marriage was not without its rough patches. The usual thing: She had a good career; he didn't. Rabu occasionally stole her brushes and stuck them in his mouth. But he is clearly in love. When a

reporter took a moment to cast an admiring glance at Monica, Rabu fulfilled the dream of every White House press secretary: He spit on the reporter. Twice.

"He was just telling you not to take too much interest," said Yelena Gorashenkova, a zoologist. Rabu eventually took up painting, too, although no one is gushing over his style. "Like a child, he was simply imitating," Mr. Firsov said.

Ramon arrived last November. Rabu was a doting father; he had been blessed with a supportive orangutan upbringing in the Netherlands where captive extended families gave him the opportunity to observe child-rearing techniques and build orangutan self-esteem.

But Monica, who was snatched from her parents early and has spent much of her life alone, could not figure out how to breast-feed Ramon. Two days after Monica gave birth, her handlers decided to remove the infant from the cage. Miss Gorashenkova is caring for Ramon, feeding him goat's milk, changing his disposable diapers and letting him swing from her thumbs.

The Pavlov scientists are hopeful. They are trying to find "Bringing Up Orangutan" videos from other zoos for her to watch. The orangutans not only imitate, but also can be taught to follow verbal commands — for instance, pointing at their noses when told to. Once they think Monica has learned how to care for the baby, Ramon will be returned to the cage. The zookeepers expect that Monica will become pregnant again and suckle her offspring.

"It's not that she fully rejects Ramon," Mr. Firsov said. "She just didn't know how to bring it up to her breast for milk."

Monica and Rabu took their separation from Ramon calmly. The pair has a new hobby: television. A receiver was mounted outside their cage to accustom them to watching TV in advance of the educational videos.

Rabu is the more enthusiastic couch potato of the couple. He likes nature programs, especially ones with tigers — all of which irk Monica. She occasionally hangs from the rafters to block his view of the tube.

New U.S. Carrier Boasts
All but Enough SailorsBy Steven Lee Myers
New York Times Service

ABOARD THE HARRY S. TRUMAN, off Florida — The U.S. Navy spent \$4.5 billion to build this, the newest American aircraft carrier. It has two nuclear reactors, the latest electronic, computer and navigational equipment and, for the long cruises to come, amenities for the crew, like televisions in almost every berth.

What the navy cannot put aboard the Truman is a full crew.

Almost every department on the carrier faces a shortage of sailors, from the engine room to the intelligence division to the mess. The air department should have more than 600 sailors to carry out the choreographic feat of launching and landing warplanes. Last week it mustered 448.

"The people aren't there," Captain Thomas Otterbein said, sitting on the Truman's bridge as aircraft practiced takeoffs and landings in rolling seas 100 miles (160 kilometers) out in the Atlantic.

The Truman, commissioned by President Bill Clinton last July to join the 11 other U.S. aircraft carriers, is not alone. Two weeks ago, the navy disclosed that it has had as many as 22,000 empty positions, or billets, in a force of 372,000. The vast majority of those were aboard the service's 327 ships, rather than on shore.

The shortages have a variety of causes, not the least of which is a thriving economy that creates more enticing opportunities for young people than the prospect of long voyages at sea. The navy has responded with a variety of programs to counter that hard reality, offering bonuses and championing proposals now before Congress to increase pay and retirement benefits for all military personnel.

The navy's commanders insist that, for now at least, the shortages have not hurt their primary mission, which is defending the United States. But they concede that the problem is taking a toll on ships like the Truman, where sailors and officers work longer hours to pick up the slack.

And that, in turn, is worsening the problems at the root of the shortages: recruiting new sailors and keeping those who have already joined.

"It sort of feeds on itself," Captain Otterbein said. "The workload still remains pretty high. Now you're laying it on the backs of fewer people."

In Norfolk, Virginia, home port of the Truman and fulcrum of the Atlantic Fleet, there are shortages on almost every warship, from frigates to attack submarines. The aircraft carrier Enterprise, whose warplanes provided much of the punch for the air raids against Iraq in December, left port last fall nearly 400 short of a full crew of more than 5,000.

The Leyte Gulf, a guided-missile cruiser, is scheduled to deploy to the Mediterranean in March but so far has a crew of only 338. It should have 410. Its commander, Captain Raymond Donahue Jr., said he expected to fill at least some of the most important slots before the ship steamed for six months at sea, but only at the last minute and with junior sailors.

"Some of their replacements will walk up the brow a week before they deploy," Captain Donahue said, referring to the ship's gangway. "They haven't trained with us. The continuity isn't there."

The challenges with recruiting and retention have affected the entire military, but the navy's difficulties have become particularly acute. The Pentagon's most recent survey on attitudes about the military found that only 9 percent of young men between 16 and 21 were likely to consider joining the navy, the lowest percentage for any of the four services — navy, army, air force and marines.

Last year, for the first time since the draft ended in 1973, the navy fell short of its annual recruiting goal, missing by 7,000. Since new recruits almost always go straight to sea after boot camp, that shortfall is now rippling through the fleet.

At the same time, the navy is not retaining nearly enough enlisted per-

sonnel, particularly those with highly technical skills.

The chief of naval operations, Admiral Jay Johnson, said in an interview that the shortage was only partly a problem of recruiting and retention. The service has thousands of unassigned sailors who could, with better management, fill the empty billets, Admiral Johnson said. The answer, he said, is "to put the right people in the right billets at the right time."

Even he conceded, however, that the navy faces challenges far beyond the ability of better management: a declining willingness of young people to serve in the military and a thriving economy that entices those who would or do serve.

Petty Officer Second Class Melissa Teames, an air traffic controller aboard the Truman, plans to leave the navy on April 7 after five years. Only 24, she is highly trained and disciplined.

But the Federal Aviation Administration is hiring again in the midst of a boom in commercial travel. And, as she explained, that agency does not send you to sea.

"We're doing the same job here," Ms. Teames said, standing inside the darkened control center beneath the Truman's flight deck, "but under more difficult conditions."

The navy admits that life at sea is not for everybody — even aboard the big carriers. As big as it is — longer than five city blocks and, from the waterline to its highest point, 30 stories tall — the Truman is cramped and crowded. Except for the cavernous hangar bay, its passageways are narrow.

There is very little common space and even less privacy. Enlisted sailors sleep in bunks, stacked three deep, a step away from three more. They call them "coffin racks." For those who work deep in the ship's hull, it is possible to pass days at a time without seeing daylight.

At a muster last week, the Truman's "ship's crew" totaled 2,543, more than 13 percent below a full complement of 2,933. The Truman does not yet have aircraft squadrons on board. Once it does, the total crew will grow by 2,500 to 2,400.

The Truman will not deploy overseas until next year. The ship spent six weeks at sea last year and has another cruise planned in March. It steamed into the Atlantic this week to allow pilots to perform the takeoffs and landings they need to stay proficient.

While at sea, the shortages are felt in ways large and small.

Sailors have to work longer, usually 12-hour shifts, and spend more days in "duty stations," handling watch or otherwise being on call.

Even the ship's mess is affected. It has half the cooks it needs, and so sailors from other departments have to fill in.

Florida Calls Off
Photo ID Sales

Washington Post Service

WASHINGTON — Governor Jeb Bush of Florida has canceled the sale of state driver's license photographs to a private company, as outrage over the release of millions of images by motor vehicle officials in several states continued to build.

Drivers in Florida, South Carolina and Colorado have complained to their state governments about an effort by a small New Hampshire company to build a national database of drivers' photos and personal images for use in an anti-fraud service for retailers.

Executives at Image Data LLC of Nashua, New Hampshire, have said their computers can securely flash the image of a person named on a credit card or a check to a small screen near a cash register.

But after learning about the arrangements, thousands of people complained they were not informed. Many also expressed fears about their privacy and the security of the company's databases.

U.S. Anti-Terror Outlays: Girding for Tomorrow

By Vernon Loeb
Washington Post Service

WASHINGTON — The U.S. government has poured more than \$2 billion in emergency funds into counterterrorism since bombs devastated two American embassies in East Africa last summer, hardening buildings, bolstering security forces and buying the latest in counterterrorism technology.

The State Department is coating embassy windows all over the world with protective film to guard against flying glass shards in case other bombs go off. The Federal Aviation Administration is buying sophisticated CAT scan equipment for airports to find explosives in suitcases. The Pentagon is setting up National Guard rapid-response teams in 10 states. The Justice Department is doling out equipment and training grants so fire departments are ready for chemical or biological attacks. The FBI is preparing for takeover in its own Gulfstream 5 ultra-long-range business jet, able to fly teams of agents to terrorist incidents around the

world at a moment's notice.

Intelligence agencies decline to say what they are doing with \$350 million in classified funds. But one source with access to their budget said most of the money has been earmarked for eavesdropping and communications equipment easily trained on terrorist cells.

With President Bill Clinton promising \$10 billion for counterterrorism in the budget proposal just sent to Congress, his priorities — deterrence, prevention and preparedness — are already evident as dozens of agencies and hundreds of federal employees carry out spending plans devised just after the embassy bombings in Kenya and Tanzania.

"The counterterrorism area has just mushroomed," a senior Justice Department official said. "It's on everybody's radar screen. And the whole issue of coordination among agencies is really a big deal around here. People are talking to each other — and there really has been quite a lot of cooperation."

The \$2.1 billion in supplemental funds, increasing overall government

spending on counterterrorism this fiscal year to more than \$8.5 billion, went a long way toward rectifying the failure of insight and the failure of funds on which the Africa bombings were blamed, said David Carpenter, assistant secretary of state for diplomatic security.

The State Department alone received \$1.4 billion to rebuild the embassies destroyed last year in Nairobi and Dar es Salaam, Tanzania, relocate eight other vulnerable embassies, upgrade buildings and security equipment at 250 other embassies and consulates, hire 1,000 new embassy guards and deploy 200 more diplomatic security agents.

The single most important initiative, Mr. Carpenter said, has been the decision to hire 200 diplomatic security agents, added to the current force of 850.

In addition, a commission headed by retired Admiral William Crowe that looked into the bombings singled out one area for repeated criticism: aircraft support. The first Foreign Emergency Support Teams from Washington to Kenya experienced delays of 15 hours and did

not arrive in Nairobi until 40 hours after the bombings, the commission found. While one team departed within six hours, its military aircraft broke down in Rota, Spain, and caused a 15-hour delay before a backup could arrive. Another team bound for Dar es Salaam was delayed from taking off for 24 hours because, with the military's designated plane already headed for Nairobi, a substitute could not be found.

Another air force plane loaded with additional support personnel broke down in Sicily two days after the bombings and was delayed for eight hours.

The government's response: \$120.5 million in the emergency supplemental appropriation to buy three Gulfstream 5 jets, capable of flying 6,500 miles (10,500 kilometers) at speeds up to Mach .885. The FBI is to have dedicated use of one of the jets to respond to terrorist emergencies and the Federal Emergency Management Agency is to use another. U.S. officials said. They said they could not comment on what agency would have use of the third.

TRAVEL UPDATE

U.S. Bill Targets Airline Practices

WASHINGTON (NYT) — Airlines would have to tell passengers when a flight had been oversold, why a plane was late or a flight had been canceled, and how many seats were available for purchase with frequent-flyer miles, under a bill that two senators said they planned to introduce this week.

The bill, co-sponsored by Senator Ron Wyden, Democrat of Oregon, and John McCain, Republican of Arizona, would also let consumers return all tickets within 48 hours of purchase.

Most German Train Fares to Rise
FRANKFURT (AP) — The German railroad announced Tuesday an increase in prices starting on April 1 for all passengers except families with young children.

Deutsche Bahn plans to raise fares in the West by 1.5 percent, and by 3.2 percent in the East to match the new, nationwide level, said Ingo Brethauer, head of the railroad's travel and tourism division. The age limit for fare exemption will be raised to 6 from 4. There will be half-price fares for 6- to 11-year-olds.

Thousands of Brussels commuters were forced to walk to work Tuesday when subway engineers and some bus drivers went on strike after a colleague was assaulted. (Reuters)

Correction

An article in the Jan. 30-31 editions incorrectly dated the Latin word "niger," or black, from the year 1700. The date should have referred to the time lexicographers believe the English-language racial slur, derived from the Latin, came into usage.

WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

Europe		Today		Tomorrow	
		High	Low	High	Low
Algeria		13/5	6/3	16/1	9/4
Amsterdam		9/48	3/47	12/53	2/57
Austria		13/21	5/12	14/21	6/12
Athens		9/48	3/47	12/53	2/57
Bahamas		11/2	8/4	15/9	11/6
Bahrain		9/4	-2/9	2/2	-5/1
Bangladesh		4/3	-2/7	9/4	0/2
Barbados		10/0	8/4	10/3	6/7
Belize		13/2	7/1	12/4	5/0
Bermuda		13/4	6/2	13/6	1/4
Bhutan		10/3	3/7	15/9	8/4
Bolivia		12/3	4/9	14/7	1/4
Bosnia		14/8	6/3	14/7	0/2
Brazil		23/7	7/4	24/7	0/2
Bulgaria		12/3	7/4	14/7	1/4
Burkina Faso		14/8	6/3	14/7	0/2
Burundi		12/3	7/4	14/7	1/4
Cambodia		14/8	6/3	14/7	0/2
Cameroon		12/3	7/4	14/7	1/4
Canada		14/8	6/3	14/7	0/2
Cape Verde		12/3	7/4	14/7	1/4
Chad		14/8	6/3	14/7	0/2
China		14/8	6/3	14/7	0/2
Cote d'Ivoire		12/3	7/4	14/7	1/4
Croatia		14/8	6/3	14/7	0/2
Cuba		12/3	7/4	14/7	1/4
Cyprus		14/8	6/3	14/7	0/2
Czechia		12/3	7/4	14/7	1/4
Dominican Republic		14/8	6/3	14/7	0/2
Dominica		12/3	7/4	14/7	1/4
DRC		14/8	6/3	14/7	0/2
Ecuador		12/3	7/4	14/7	1/4
Egypt		14/8	6/3	14/7	0/2
El Salvador		12/3	7/4	14/7	1/4
Equatorial Guinea		14/8	6/3	14/7	0/2
Eritrea		12/3	7/4	14/7	1/4
Estonia		14/8	6/3	14/7	0/2
Ethiopia		12/3	7/4	14/7	1/4
Finland		14/8	6/3	14/7	0/2
France		12/3	7/4	14/7	1/4
Gabon		14/8	6/3	14/7	0/2
Gambia		12/3	7/4	14/7	1/4
Germany		14/8	6/3	14/7	0/2
Ghana		12/3	7/4	14/7	1/4
Greece		14/8	6/3	14/7	0/2
Guatemala		12/3	7/4	14/7	1/4
Haiti		14/8	6/3	14/7	0/2
Honduras		12/3	7/4	14/7	1/4
Hungary		14/8	6/3	14/7	0/2
Iceland		12/3	7/4	14/7	1/4
India		14/8	6/3	14/7	0/2
Indonesia		12/3	7/4	14/7	1/4
Iran		14/8	6/3	14/7	0/2
Ireland		12/3	7/4	14/7	1/4
Israel		14/8	6/3	14/7	0/2
Italy		12/3	7/4	14/7	1/4
Jamaica		14/8	6/3	14/7	0/2
Japan		12/3	7/4	14/7	1/4
Jordan		14/8	6/3	14/7	0/2
Kazakhstan		12/3	7/4	14/7	1/4
Kenya		14/8	6/3	14/7	0/2
Korea		12/3	7/4	14/7	1/4
Kuwait		14/8	6/3	14/7	0/2
Kyrgyzstan		12/3	7/4	14/7	1/4
Laos		14/8	6/3	14/7	0/2
Latvia		12/3	7/4	14/7	1/4
Lebanon		14/8	6/3	14/7	0/2
Lesotho		12/3	7/4	14/7	1/4
Lithuania		14/8	6/3	14/7	0/2
Luxembourg		12/3	7/4	14/7	1/4
Macao		14/8	6/3	14/7	0/2
Macedonia		12/3	7/4	14/7	1/4
Madagascar		14/8	6/3	14/7	0/2
Mali		12/3	7/4	14/7	1/4
Malta		14/8	6/3	14/7	0/2
Mauritania		12/3	7/4	14/7	1/4
Mauritius		14/8	6/3	14/7	0/2
Mexico		12/3	7/4	14/7	1/4
Moldova		14/8	6/3	14/7	0/2
Mongolia		12/3	7/4	14/7	1/4
Montenegro		14/8	6/3	14/7	0/2
Morocco		12/3	7/4	14/7	1/4
Mozambique		14/8	6/3	14/7	0/2
Nicaragua		12/3	7/4	14/7	1/4
Niger		14/8	6/3	14/7	0/2
Nigeria		12/3	7/4	14/7	1/4
North Macedonia		14/8	6/3	14/7	0/2
Oman		12/3	7/4	14/7	1/4
Pakistan		14/8	6/3	14/7	0/2
Panama		12/3	7/4	14/7	1/4
Paraguay		14/8	6/3	14/7	0/2
Peru		12/3	7/4	14/7	1/4
Philippines		14/8	6/3	14/7	0/2
Poland		12/3	7/4	14/7	1/4
Portugal		14/8	6/3	14/7	0/2
Romania		12/3	7/4	14/7	1/4
Russia		14/8	6/3	14/7	0/2
Rwanda		12/3	7/4	14/7	1/4
Saudi Arabia		14/8	6/3	14/7	0/2
Senegal		12/3	7/4	14/7	1/4

Middle East		Today		Tomorrow	
		High	Low	High	Low
Abu Dhabi		37/61	16/51	29/64	17/65
Alexandria		27/40	12/11	29/40	12/11
Amman		27/40	12/11	29/40	12/11
Ankara		27/40	12/11	29/40	12/11
Antalya		27/40	12/11	29/40	12/11
Athens		27/40	12/11	29/40	12/11
Bahia		27/40	12/11	29/40	12/11
Bahia		27/40	12/11	29/40	12/11
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Bahia		27/40	12/11	29/40	12/11
Bahia					

ASIA/PACIFIC

U.S. Sees India on a Path to Fewer Sanctions and Zero Tests

By Celia W. Dugger
New York Times Service

NEW DELHI — American officials say that there is momentum now for a choreographed sequence of steps that will lead to a substantial easing of economic sanctions imposed on India after its nuclear tests in May, as well as to India's signing of the test ban treaty, probably by midyear.

The Indians were more cautious Monday in their assessment of the outcome of three days of negotiations that ended Sunday, the eighth round of talks since the tests. But both Indian and American diplomats were optimistic about resolving their differences.

Officials from both countries said they also hoped more broadly for an improvement in the prickly, mistrustful relations between the United States and India. An Indian official described the tone of conversations between Deputy Secretary of State Strobe Talbott and

External Affairs Minister Jaswant Singh as "verging on bonhomie."

The United States took a step in this diplomatic tango Monday by inviting ambassadors from the major industrialized democracies and Russia to a luncheon in New Delhi, where Americans broached the resumption of World Bank lending to India for road, power and other development projects. Sanctions have thus far cost India about \$1.2 billion in World Bank loans, bank officials say.

An Indian official said a decision to allow World Bank lending to resume would be "a small step toward the creation of a positive atmosphere." Another Indian official said there was no explicit agreement that if the United States takes certain specific actions on sanctions, India will sign the test ban treaty. "That's too mechanical a spin," he said.

While both the Indians and Americans insisted that they have done nothing

so crude as horse-trading during eight rounds of talks in eight months, it is clear that each side has certain conditions that must be met before relations improve. India's decision to conduct the underground nuclear tests, which Pakistan immediately followed with its own nuclear tests, brought the relationship to one of its lowest points ever.

The Indian government, run by a seemingly ever-shaking coalition led by the Hindu nationalist Bharatiya Janata Party, needs something concrete it can claim to have gained for signing the Comprehensive Test Ban Treaty by the September deadline for ratification set by a United Nations conference more than two years ago, party leaders have said. The government cannot be seen as giving in to American pressure without opening itself up to attack from the opposition Congress (I) Party.

The government badly needs some victories. The Hindu nationalists were routed in state elections in November, in

large part because of the rising prices of vegetables, and they have been under attack from some of their allies in recent days for raising the prices of subsidized rice, wheat, sugar and cooking oil to lower the budget deficit. The government backed down Tuesday on some of the price increases.

In a joint statement issued Sunday, India and the United States said they would "endeavor to create a positive atmosphere for advancing their relations." Indian officials say they will work to build a consensus for signing the test ban treaty when Parliament reconvenes this month.

On Monday, Mr. Talbott visited the Congress Party president, Sonia Gandhi, and has given interviews to Indian journalists in which he stressed his respect for India as a great secular democracy and spoke glowingly of the possibilities of a close relationship between India and the United States.

But Indian officials say the United

States has taken steps recently that have soured the atmosphere, for instance backing a resumption of World Bank lending to Pakistan but not to India.

Pakistan Talks Yield Little

The United States and Pakistan agreed Tuesday to meet again but indicated that an eighth round of talks on nuclear nonproliferation had achieved no firm results, Agence France-Presse reported from Islamabad.

"The two sides considered further steps to advance the objectives of the dialogue," said a joint statement after talks between Mr. Talbott and Foreign Secretary Shamsah Ahmad.

It said that experts would meet in March-April to discuss "export controls and strategic restraints" and that the next round of the dialogue would be held before the end of June at a date and venue to be decided. Washington is eager for Pakistan to sign the Comprehensive Test Ban Treaty.

BRIEFLY

India Reverses Food-Price Rise

NEW DELHI — India's governing Bharatiya Janata Party bowed to pressure from disgruntled coalition partners Tuesday and reversed a rise in subsidized food grain prices for the poor.

Prime Minister Atal Behari Vajpayee's Hindu-nationalist party, which leads the coalition, also took flak in the meeting of coalition parties over its links with hard-line groups.

The prime minister has stated that insofar as the prices of food grains for those below the poverty line is concerned, it will be withdrawn," said Defense Minister George Fernandes, the convener of the coalition's coordination committee. "The coalition has been racked by discord since it took office after an inconclusive election last March." (Reuters)

Migrants Must Get Hong Kong Permit

HONG KONG — Hong Kong's top civil servant, Anson Chan, warned Chinese migrants Tuesday that they must get the necessary permit to enter the territory and that they would be deported to the mainland immediately if they did not.

The warning came after Hong Kong's highest court ruled Friday that children born before either of their parents became Hong Kong residents had the right to live here.

Mrs. Chan said the government would set up a task force to assess the impact of the landmark ruling, which effectively opens the territory's door to tens of thousands of people on the mainland. (Reuters)

Burmese Is Freed

RANGOON — The Burmese military government said Tuesday that it had freed an 81-year-old political opponent it had sentenced to seven years in jail last year.

Ohn Myint, a member of the National League for Democracy, was freed and pardoned Jan. 30 "out of consideration for his age and respect for his family," the government said in a statement.

He was convicted last April of working with an underground organization and attempting to create misunderstanding between the government and ethnic groups. The league's founder is Daw Aung San Suu Kyi. (Reuters)

Jakarta Goal for East Timor: Autonomy

In a surprise move, the Indonesian government said last week it was ready to pull out of East Timor if no better solution could be found for the former Portuguese colony it annexed in 1976. Indonesia's foreign minister, Ali Alatas, discussed the issue with Robert Kroon of the International Herald Tribune.

Q. You have always referred to East Timor as the "pebble in the Indonesian shoe." Are you now ready to remove that pebble once and for all and accept independence for East Timor?

A. There is some misinterpretation here. Indonesia does not intend to discard East Timor just like that. For the past several weeks, we have been talking at UN headquarters in New York with Portugal about the territory's future, under the auspices of Secretary-

Q & A / Ali Alatas, Foreign Minister

General Kofi Annan. East Timorese representatives, both here and abroad, are also being consulted.

What we have in mind is very wide-ranging autonomy for the territory, and right now we are trying to fill in the details to make this meaningful for all concerned. It involves security matters, the economy, political ramifications and cultural affairs. I'll be back in New York in a few weeks to take stock of negotiations.

Q. Is the Fretilin leader Xanana Gusmao, who is serving a 20-year sentence in Jakarta for sedition, also taking part?

A. Yes, Xanana Gusmao is part of the process. He will be released from Cip-

inang prison this week and moved to a private house.

Q. What would be the relationship between East Timor and Jakarta in the construction you have in mind?

A. Granting far-reaching autonomy to East Timor would be unprecedented in Indonesian history, but there are many examples in other countries. The self-rule status now being proposed for Kosovo is a case in point.

Q. Self-rule, wide-ranging or not, still falls short of total independence.

A. That's right, but it is the best solution. If we cannot agree on an autonomous status with the parties by April, the only alternative may be abandoning East Timor altogether. That doesn't mean we will pack up in anger. We will hand the problem back to the people.

Q. What does that mean?

A. Well, by April, Indonesia will move into general elections for the Peoples' Consultative Assembly. East Timor will also elect its representatives, and if they opt for independence, so be it.

Q. Ramos Horta, East Timor's representative-at-large, and Xanana Gusmao have always insisted on a referendum so the people can decide their own future. Is that acceptable to Indonesia now?

A. No. A referendum is a recipe for civil conflict. Already now there is fighting between pro- and anti-independence factions, and we don't want to be stuck with this problem for another

Indonesia Denies Arming Units

Reuters
JAKARTA — The commander of the Indonesian armed forces, General Wiranto, denied Tuesday that the military had armed pro-Jakarta loyalists in the territory of East Timor to fight pro-independence groups.

"We have not armed the people," General Wiranto said. "In fact, local organizations which helped the armed forces maintain peace in the past have been abolished and their weapons confiscated."

But he said local paramilitary units charged with helping the armed forces, the ABRI, maintain the peace had been

armed. Tensions in the former Portuguese colony grew after Jakarta said last week it may let the territory go.

Clashes between rival Timorese groups supporting Jakarta and seeking independence occur almost daily in the territory.

Several people died last week and at least 50 people have died in the past six months, aid workers and human rights groups say.

Hundreds of East Timorese protested in Dili on Tuesday against Indonesia's rule of their homeland and demanded independence. The protest was peaceful with no immediate reports of trouble.



Ali Alatas at a press briefing. Indonesia and Portugal are discussing East Timor's status at the UN.

couple of years.

Q. You have long argued that a poor ministrate of 800,000 people is not viable. If you dump East Timor, wouldn't you just hand another basket case to the international community?

A. I don't want to go into that now. Anyway, Ramos Horta doesn't agree with that point of view. We are not dumping East Timor, and that's why we think wide-ranging autonomy is by far the most realistic, rational and viable formula for a peaceful solution.

Singapore Jails Opposition Aide

Agence France-Presse

SINGAPORE — An opposition leader was sentenced to seven days in prison Tuesday after he refused to pay a fine for holding an illegal public rally.

Chee Soon Juan was fined 1,400 Singapore dollars (\$828). He said before the trial that he would not pay a fine and called after his sentencing for the governing party to relax its "iron-fisted" grip.

"In default of payment of the fine, seven days in prison," Judge See Kee Oon said before Mr. Chee was taken away by the police.

In a statement issued after his sentencing, Mr. Chee continued to insist on his innocence. He said that the Public Entertainment Act, under which he was charged, violates constitutional guarantees of free speech in Singapore, which has been governed by the People's Action Party for the last 40 years.

"Despite the ruling today in court my belief and conviction remain undiminished," he said. "My right to free speech guaranteed in the Singapore Constitution has been violated by an unconstitutional and undemocratic law put in place by the ruling regime to deny the opposition from effectively reaching out to the people."

Mr. Chee, 36, secretary-general of the tiny Singapore Democratic Party, pleaded not guilty to holding a rally without police permission in the financial district on Dec. 29 in defiance of the Public Entertainment Act.

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EUROPE

At Home and Abroad, the First 100 Days Have Been Trying for Schroeder

By William Drozdiak
Washington Post Service

BERLIN — The first 100 days in power have not been kind to Gerhard Schröder.

The political honeymoon for Germany's new leader ended almost the moment he ousted Helmut Kohl from the chancellery's office. After displacing Europe's longest-serving statesman, Mr. Schröder quickly found himself attacked as a weak and vacillating ruler too prone to promise all things to all people.

He has struggled with difficulty to reconcile clashes over immigration, nu-

clear energy and tax policy in his uneasy coalition of Social Democrats and Greens. Even in his own party, he is perceived as a pawn in the ambitions of Oskar Lafontaine, his finance minister and leader of the Social Democrats.

The internal discord has provoked anxiety at home and abroad that Europe's most pivotal nation is drifting and disoriented, just when it needs to demonstrate a clear sense of direction after assuming the rotating leadership of the European Union and the Group of 7 major industrial democracies.

The hostile treatment at the hands of

German media barons has left Mr. Schröder feeling bruised and embittered. Yet even his friends complain that he warrants some blame for failing to articulate a strategic vision that reflects his core values about where he wants to guide the country.

When asked to review his government's performance, Mr. Schröder insists that German media have been "brutal and somewhat dishonest" in their assessment of his brief tenure. But he consoles himself with polling results that show a strong majority of the nation's voters — as much as 75 percent in some surveys — supports his government and expresses satisfaction with its work.

"Look, it's impossible to achieve all of our goals in the first hundred days; you will have to look back on an entire legislative period after four years to make a fair judgment," Mr. Schröder observed in a conversation. "But the wave of criticism started within the first five days."

Of course, mistakes were made, but these were largely procedural flaws that we have tried to correct. We have tried to do too many things too quickly in trying to carry out our promises to the voters. But I have vowed to be more laid back, both in the pace of our work and our dealings with the press."

When he addressed a forum of world

business leaders in Davos, Switzerland on Monday, Mr. Schröder betrayed some of his frustrations by taking potshots at his predecessor, whom he referred to as "the fat man."

He bemoaned the economic plight he inherited from Mr. Kohl: a plague of joblessness caused by excessive labor costs, too much state regulation, onerous taxes, feeble innovation and an anemic service sector.

"For too long things were left to slide," Mr. Schröder lamented. "Over 16 years, people were accustomed to a particular government in Germany. The known and familiar can be rather soothing, but you can get so used to it that it

becomes soporific. And being half asleep in a world changing at breakneck speed is something we cannot afford."

While aspiring to serve as the model of a new generation of German leadership, Mr. Schröder and his foreign minister, Joschka Fischer, the Greens leader, have nonetheless stuck close to Mr. Kohl's script. They profess staunch support for the goal of political and economic unity in Europe, while pledging fealty to a strong partnership with the United States.

But in many important ways, Mr. Schröder's style and manner suggest that an uncomfortable era of adjustment now confronts Germany's neighbors and allies. Conscious of Germany's historical burdens from the Nazi past, Mr. Schröder has made it clear that he and his government will no longer be so compliant in seeing that legacy dictate policies.

Mr. Schröder sees the transfer of the seat of government from Bonn, a small Rhineland town near the Belgian-French border, to Berlin, a sprawling metropolis just 80 kilometers (50 miles) from the Polish border, as a unique break with the past. He insists that the "Berlin Republic" will reaffirm the democratic foundations of modern Germany and fulfill a deep yearning by his generation to be treated like other Europeans — without guilt or shame for pursuing healthy national interests.

To the dismay of his partners, Mr. Schröder has given notice that Germany will no longer sign blank checks for the cause of European unity. He has demanded a big reduction in Germany's annual contribution to the European Union budget.

And he shocked France and Britain by saying that Germany should not have to pay compensation for breaking nuclear reprocessing contracts, a controversial decision now under review.

This quest for normality extends to breaking old taboos.

Along with Britain and France, Germany has promised to send troops to Kosovo as part of an international peacekeeping contingent if Serbian authorities and ethnic Albanian rebels agree to a political settlement.

It is a step that seemed unthinkable just a few years ago when Germans vowed never again to send soldiers beyond their own borders.

An Appeal on Wage Dispute

Mr. Schröder urged employers and unions on Tuesday to find a "reasonable" resolution to a wage dispute that is threatening to undermine a key part of his government's plan to reduce unemployment. Reuters reported. The dispute could lead to a widespread strike.



Foreign Minister Igor Ivanov, left, of Russia and his German counterpart, Joschka Fischer, after their meeting Tuesday in Bonn. Mr. Krasniqi of the Kosovo Liberation Army saying that a delegation would attend the talks.



Compromise on Kosovo Will Be Imposed Quickly

Negotiators Plan to Show They 'Mean Business'

By Steven Erlanger
New York Times Service

BELGRADE — The negotiators who will direct the talks this weekend between the Serbs and the Albanians over Kosovo believe that they will have to impose a quick compromise settlement on the parties, according to senior Western diplomats here.

The U.S. ambassador to Macedonia, Christopher Hill, and Wolfgang Petritsch, the Austrian ambassador to Belgrade and the European Union's special envoy for Kosovo, will run the talks together with a Russian diplomat, Boris Mayorskiy, under the chairmanship of the French and British foreign ministers, Hubert Vedrine and Robin Cook.

The idea is to preserve the remarkable unity on Kosovo thus far of the six-nation Contact Group on the former Yugoslavia, which includes Russia, Serbia's traditional ally. The Contact Group — United States, Britain, Germany, France and Italy, as well as Russia — is backed by the influence of the European Union, the UN Security Council and the military capacity of NATO, which is providing the iron fist that will hover over the elegance of the presidential chateau at Rambouillet, France, where the talks will take place.

The Kosovo Liberation Army announced Tuesday that it would attend the talks. "We are definitely going to the talks with our proposals, which we can discuss," said Jakup Krasniqi, the KLA spokesman in Kosovo.

The Serbian Parliament is to convene Thursday to discuss the ultimatum from the North Atlantic Treaty Organization and decide the government's response.

Mr. Hill and Mr. Petritsch have sketched out the first two days of the talks, in which the Serbs and the fractious ethnic Albanian delegations will meet in plenary session to state their positions. Afterward, however, as the hosts try to impose a news blackout on the participants, the negotiators will call on a variety of techniques, from direct talks to proximity talks.

But the negotiators think that both sides, after six months of shuttle diplomacy by Mr. Hill and Mr. Petritsch, have "quite a good idea by now of what the outcome is likely to be," an official said.

By going to Rambouillet, the antagonists "accept they have to negotiate, even if compromise is an elusive idea in the Balkans," the official said. But after a relatively short time, another official said, "a compromise accord is likely to be presented to the parties and basically imposed upon them, with credible threats directed toward both sides."

"You have to get across the message that you mean business and that there is international resolve behind you, and that there will be a price to be paid for a lack of seriousness," the official said.

The threat to the Serbs is clear: punitive air strikes on targets in Serbia that will be costly for the Yugoslav president, Slobodan Milosevic, to replace.

But the threat to the Kosovo Liberation Army, should it violate a cease-fire or refuse to compromise, can also be real, the officials said.

American and NATO officials are already working to reduce the flow of arms to the KLA from Albania and are using sophisticated surveillance techniques along the mountainous border. While no one thinks that border can be sealed, the officials have talked with the government of Albania about a more intensive international effort to scrutinize the Tirana airport and the Albanian ports of Vlorë and Durrës to prevent the smuggling of arms and money.

KLA bank accounts can be closed, the officials said, and their commu-

nications and logistics disrupted. The Albanians also have been told that the current international support and sympathy for them and self-rule could quickly disappear.

The negotiators understand that these talks are "a high-wire act," a senior official said. "But I feel confident because of the resolve of the international community — the United States, the European Union and especially the Russians. This is the single most important chance to come to an early compromise settlement, even if the conflict won't end in a day."

The principles for a settlement, backed by the Contact Group, are carefully drawn to try to allow both sides to

come away feeling that they have gained important successes, the officials said.

Under an internationally supervised and enforced three-year interim agreement, the ethnic Albanians will gain effective self-government under newly elected Kosovar authorities, with almost complete independence from the authority of Serbia.

The government of Yugoslavia, headed by Mr. Milosevic, will control foreign, defense, trade, monetary and fiscal policy — but not internal security or the police. Still, Kosovo will not become independent for the period of the agreement and will remain an integral part of Yugoslavia.

U.S. and Allies Seek to Shape a Kosovo Peacekeeping Force

By Dana Priest
Washington Post Service

WASHINGTON — U.S. and European officials have begun detailed discussions on the tasks, size and shape of a NATO peacekeeping mission to Kosovo, signaling an increasing likelihood that American troops are bound for the embattled Balkan region.

Secretary of State Madeleine Albright was on Capitol Hill on Monday to assess congressional support for sending American troops to Kosovo, and U.S. officials reiterated that President Bill Clinton had made no final decision on the issue. But in the meantime, officials involved in the discussions said U.S., British and NATO planners were already trading plans for enforcing a peace settlement — including participation by U.S. troops — if one is accepted by Serbia and Kosovo's ethnic Albanian rebels.

Pentagon officials have sought to

keep the U.S. role small, a few thousand troops at the most. But the main European plan calls for an American presence of at least 5,000 and possibly thousands more, according to officials with knowledge of the discussion.

Under "Option A-minus," a plan devised by the North Atlantic Treaty Organization in October and now reviewed, the on-the-ground commander of a 28,000-strong force in Kosovo would be from NATO's Allied Command Europe Rapid Reaction Corps. That group is commanded by Lieutenant General Sir Michael Jackson of Britain, according to a senior Western military official.

General Wesley Clark of the U.S. Army, the supreme commander of allied forces in Europe, would remain in ultimate control of the operation. But under current planning, the deployment nonetheless would mark the first time U.S. troops had worked for a non-American ground commander in such a potentially

hostile environment. Pentagon officials have said they would be willing to trade the command position to get their numbers low because they believe their troops have too many commitments overseas and that Congress may balk at a larger force.

Defense Secretary William Cohen said, "My personal view is that our European allies must bear a substantial burden in terms of dealing with Kosovo and that any participation by the United States should be as small as it could be."

The Rapid Reaction Corps, with about 1,300 personnel, is a headquarters unit that would be responsible for commanding and coordinating ground troops stationed in Kosovo, the province in southern Serbia whose population is 90 percent ethnic Albanian.

Britain has pledged 8,000 soldiers to the Kosovo mission, France as many as 6,000 and Germany about 3,000, according to European and U.S. sources. The Netherlands,

Russia and Nordic countries are expected to provide 1,000 each, and the prospective new NATO members Poland, Hungary and the Czech Republic have said they also will contribute, eager to show they can work as full-fledged NATO members.

Under "Option A-minus," Kosovo would be divided into four sectors, each with a brigade and one or two battalion-sized units of about 6,000 troops. British, French and U.S. troops would each control one sector, as would another country.

U.S. officials are telling planners they want to keep their force to about 2,000, a number that would allow the United States to provide key support activities such as intelligence, logistics and night helicopter operations.

But European officials and others, seeking a larger U.S. contribution, say a full U.S. presence would be a direct signal to President Slobodan Milosevic of Yugoslavia

about the willingness of the world's only superpower to see Kosovo pacified.

As a fallback, the Europeans are trying to put pressure on Mr. Clinton's administration to commit a larger number of troops for the initial and most problematic phase of the deployment.

The need for troops could also be affected by a decision on two competing views of the overall NATO mission.

One idea calls for some Serb military presence to remain in Kosovo while ethnic Albanian rebels were trained to become a local police force. NATO troops would supervise the withdrawal of most Serb troops and enforce restrictions on those who remained. The other view, which could entail a much smaller force, calls for all Serb forces to leave and for NATO troops to disarm the rebels. But this is regarded as less acceptable to Mr. Milosevic.

BLAIR: A Few Critics Dare to Boo the Showman

Continued from Page 1

peace settlement in Northern Ireland; decisions to move regional power out of the Parliament in London to newly created legislatures in Edinburgh, Cardiff and Belfast; reforming the House of Lords; setting a minimum wage; starting a welfare-to-work program; granting independence to the Bank of England in setting interest rates, and establishing Britain as a more positive presence in Europe while maintaining strong ties to the United States.

With a 179-seat majority in Parliament, ineffective opposition from the Conservatives and only rumblings of discontent from dissidents in his party, Mr. Blair has remarkable freedom of action, and his presidential-style presence has become the most important factor in New Labour's performance.

As focus groups and opinion research become a growing force in Britain, political muscle is increasingly measured with the tape that shows the public popularity numbers. By this standard, Mr. Blair is an outstanding success: His approval ratings are persisting in mid-60s percentages, the highest ever for a British prime minister and 15 points higher than the ratings for his government. This is occurring in spite of cabinet scandals and disarray — including the resignation of his chief ally, Peter Mandelson — of the kind that contributed to the overwhelming rejection of his predecessor, John Major, in the 1997 election.

He has the support of 87 percent of the fractious Labour Party, and recent polls indicate that even the Tory rank and file prefer him to their own leader, William Hague. Although Mr. Blair heads the country that Europeans most love to loathe for its reluctance to join in their grand ventures, like monetary union, he often comes first even on the Continent in polls measuring the popularity of individual leaders.

He has gained favorable international notice for a theory about the divisions between the Third Way, it seems to maintain a following chiefly because he is the one peddling it.

At home, his government's purpose, Mr. Blair said in a recent policy speech, is to serve a "new, larger, more meritocratic middle class," which now displays "greater tolerance of difference, ambition to succeed, greater opportunities to earn a decent living."

He put the Labour Party through a force-fed reformation in the 1990s, aimed at shedding the socialist ideology, tax and spending habits and tribal in-fighting that had scared off middle-class voters in past elections and given the Tories their dominance of British politics.

Outwardly, Mr. Blair has a glad-handing appeal. He is a shirt-sleeves boss, trading jocular banter with his aides in his back office at No. 10 Downing Street. But he is said to be steely when it comes to internal discipline. During the push to transform the party, insiders called his methods "Stalinist."

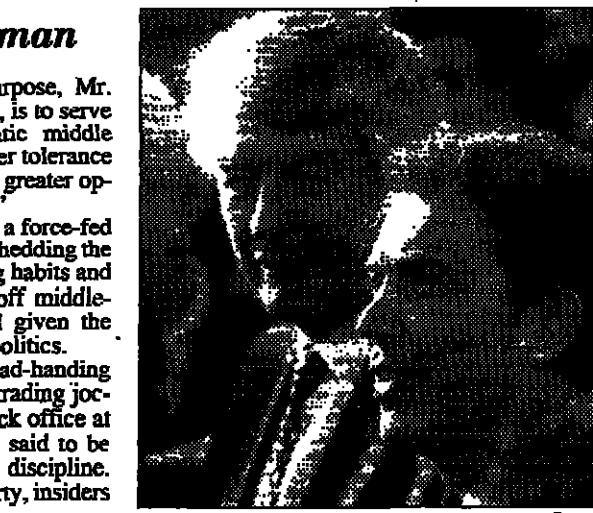
"The odd thing about him is that no one thinks of him as Machiavellian," said Robert Harris, the novelist, who is a fan of the government. "I suppose that is what is so Machiavellian about him."

With an information-management policy keeping government spokesmen resolutely "on message," Mr. Blair holds to simple definitions and repeated slogans. One of his favorites is that he is not just running a government but heading up a "project."

Projects need more than five years to fulfill, he and his ministers stress, and it is an article of faith among the Blairites that this government must overcome the curse of Labour's nearly 100-year-old history of never having run Britain for two successive full five-year terms. The week after Labour's rout of the Tories on May 1, 1997, members of the new government were talking about the urgency of winning the next election.

The extent of the ambition of the political project is seen in Mr. Blair's efforts to find areas of cooperation with the Liberal Democrats, Britain's third party, and end century-old divisions on Britain's left between the Labour and Liberal traditions.

Labour's preoccupation with becoming consistently electable has led critics to fault the



Mr. Blair with Prime Minister Wim Kok of the Netherlands in Bristol, England, on Tuesday. They were discussing closer ties.

Blair government for being overly cautious and vague, more eager not to disaffect than to engage and lead. To a certain extent, New Labour's success can be measured by what has not happened as much as by what has.

This is the first unfrightening Labour administration, said Anthony King, professor of government at Essex University. Past Labour governments are notorious in Britons' memories for economic mismanagement, convulsive social clashes and raucous internal wrangling. A main reason for the Blair government's success so far, Mr. King said, is "its conspicuous failure" to do the wrong thing.

Most of the criticisms directed at Mr. Blair have been accusations of lapses in style — that he is a "control freak," that he is surrounded by "cronies," that he is creating a "nanny state." His foreign secretary, Robin Cook, was portrayed recently as a womanizer and a heavy drinker in a vengeful book by the wife he left for a younger woman in 1997, and newspapers have also raised questions about the number of homosexuals in the government.

Dutch Lawmakers Approve Measure Lifting Brothel Ban

Agence France-Press

THE HAGUE — Dutch deputies voted overwhelmingly Tuesday in favor of a bill to overturn an 87-year-old law outlawing brothels, thus paving the way for bordellos to be classified as legal businesses from next year.

In proposing the bill, the government hopes to flush out the criminal aspects often linked to prostitution, such as drugs, weapons and the smuggling of people, especially women.

The proposed law was launched last year by Winnie Sordrager of the leftist Labour Party when she was justice minister and taken over by her successor, Benk Korthals, of the liberal VVD party.

In the 150-seat second, or lower, chamber, only the opposition Christian-Democrat CDA party, with 28 deputies and the three small Christian parties, SGP, RPF and GPV, which together hold eight seats, voted against the bill.

The final tally of votes will be announced in two weeks. But the bill will become law only if the 75 members of the first, or upper, chamber approve the text. The first chamber has rejected similar proposals twice in the last 10 years.

If approved, the law would go into effect on Jan. 1, 2000.

The bill increases sentences in cases of forced prostitution and sex with minors from one year to six years of imprisonment. Clients also will be open to prosecution when hiring the services of a minor. Under the current law only pimps can be charged.

BRIEFLY

Russia Stays Its Death Penalty

MOSCOW — Russia moved a step closer to abolishing the death penalty Tuesday when its top court imposed a moratorium on capital punishment sentences pending the formation of new jury courts.

The Constitutional Court banned judges from issuing the death sentence and prohibited any further such sentences until a new code is drawn up that will make capital punishment the preserve of jury courts alone. Only nine of Russia's 89 regions currently operate trial by jury.

Interior Minister Sergei Stepashin said late last year that Russia had 800 convicts on death row, kept in a special camp near Volgograd in northwestern Russia, and the courts hand out about 150 death sentences each year. (AFP)

France to Review Jews' Claims

PARIS — More than 50 years after World War II, France announced on Tuesday a new authority to allow Jews to claim compensation for assets that were seized during the Nazi occupation of the country and never returned. The decision to set up the body was made by a government committee that for two years has been drawing up the first full inventory ever established in France on the seizure of Jewish assets, art and businesses during the occupation.

The Matteoli committee, set up in January 1997 and named after its president, Jean Matteoli, handed in a second working report to Prime Minister Lionel Jospin listing proposals to turn a difficult page of French history. The report said two-thirds of assets seized from Jews in France had been legally claimed but that the restitution of the remainder may prove difficult because of the probable "total extermination of the relatives of those despoiled."

France has some 600,000 Jews, Europe's biggest Jewish community, and in 1995 President Jacques Chirac became the first French postwar head of state to recognize the responsibility of the French state in the wartime persecution of Jews. (AFP)

Yeltsin Turns Up at the Kremlin

MOSCOW — President Boris Yeltsin, convalescing from a stomach ulcer at a country sanatorium, unexpectedly turned up at his Kremlin office Tuesday in an apparent effort to show that he was still in charge.

A Kremlin spokesman said that Mr. Yeltsin, who turned 68 Monday, met with his chief of staff, Nikolai Boroduzhka, in the Kremlin but gave no further details.

Mr. Yeltsin, who had been hospitalized since Jan. 17, left for the Barvikha sanatorium just outside Moscow on Saturday for a rehabilitation period expected to last at least two weeks. (Reuters)

Pinchet Lawyers Wrap Up Case

LONDON — Lawyers for the Chilean government concluded their case in Britain's highest court Tuesday, saying that General Augusto Pinochet should be freed and sent home even though Chile had not requested his return.

A formal extradition request is irrelevant because the former Chilean dictator "is not a fugitive," Lawrence Collins, a lawyer, told the House of Lords. "He plainly wants to go to Chile," Mr. Collins added.

The general, 83, was arrested Oct. 16 in London at the request of a Spanish magistrate seeking his extradition on charges of murder, torture and hostage-taking involving acts allegedly committed against Spanish citizens in Chile. The hearing, which entered its 11th day Tuesday, is expected to wrap up Wednesday, after which the Law Lords are expected to reserve judgment. (AP)

EDITORIALS/OPINION

Herald INTERNATIONAL Tribune

Mysterious Prosperity

The American economy grew at an astounding annual rate of 5.6 percent in the final quarter of 1998. It grew by nearly 4 percent during the year, the same as in 1997 and nearly twice the rate predicted by most economists. At the same time, inflation remained negligible. In economic terms, it doesn't get much better. In fact, in most of the world right now things are a lot worse.

Unfortunately, no one knows for sure why the U.S. economy has proved so resilient. Certainly, smart policy decisions have played a part. President Bill Clinton and Congress agreed early in his presidency to reduce the deficit. That seems to have had the intended effect of bolstering investor confidence, reducing interest rates and inflation and promoting private-sector growth. Deregulation and an open trading system have contributed. The Federal Reserve has contributed, too, with cautious but well-timed reductions in the interest rates it sets. On top of that, luck, especially in low prices for oil and other key economic ingredients, and a mixture of new technology, labor productivity and capital efficiency no doubt play a part.

But there are dangers. One is that Fed Chairman Alan Greenspan was correct, but premature, when he

warned that the United States could not remain an "oasis of prosperity" while so many other countries are suffering. Many Asian economies contracted last year. Japan remains in recession. China's condition is fragile, and Brazil is reeling. There are likely to be some limits on America's ability to act as importer of last resort while its export markets are ailing. Political pressures for protectionist policies will come.

It is also possible that Mr. Greenspan was right, but even more premature, when he warned of "irrational exuberance" in the stock market. To be fair, he also has found some rational basis for rising stock prices, including "the dramatic fall in inflation expectations and associated risk premiums, and broad advances in a wide variety of technologies," as he told Congress last month. But no one can rule out a sharp drop in stock prices, which could drag down the "real" economy.

The salient point here is that no one can be sure. If the experts understood what was going on, after all, they would have predicted 4 percent growth a year ago. It is worth keeping this uncertainty in mind when you read projections of federal budget surpluses swelling year by year as far as the eye can see.

—THE WASHINGTON POST.

AIDS and Chimpanzees

Scientists have believed for some time that HIV-1, the AIDS virus that has infected 30 million humans around the world, originated in a primate species somewhere in Africa. Now a team of researchers led by Dr. Beatrice Hahn from the University of Alabama has confirmed that the source of HIV-1 is almost certainly a subspecies of chimpanzee called *Pan troglodytes troglodytes*.

This Central African subspecies carries a simian version of HIV-1, which was probably transmitted to humans who butchered and ate chimpanzees or handled their meat. Chimpanzees carry the simian version, called SIVcpz, without falling ill. It may be possible to discover in their adaptation to this virus a means of blocking the further spread of HIV-1.

The story of this discovery has a corollary. *Pan troglodytes troglodytes* is still being hunted, and with a rapacity that will guarantee its extinction before long. Chimpanzee meat, gathered by commercial hunters, feeds loggers in Central Africa and even makes its way into urban restaurants. The issue is not just the danger of further cross-species trans-

mission of the retrovirus, tragic as that would be. It is the destruction of a vital genetic reservoir — the potential source of major innovations in AIDS research — before research can really get under way.

Before the significance of this new discovery can be assessed, it has to be studied among populations of free-living chimpanzees belonging to this subspecies. That will not be possible if they have been hunted to extinction.

There could be no clearer demonstration of the immediate human value of preserving biodiversity. The health of our species depends directly on the breadth of the global genetic pool to which we belong.

The cure for disease, as scientists have often demonstrated, can come from the same source as the disease itself. But, as always, recognizing the human value of biodiversity — the utility of these chimpanzees to us — carries with it a sense of profound sadness, an awareness of how hard it is to value biodiversity for itself. There is still a chance to save these animals, and with luck this new discovery will make their survival more likely.

—THE NEW YORK TIMES.

Starr Is Out of Order

The most surprising aspect of the Senate impeachment trial is the persistent challenges to the senators' constitutional right to run it. First came the House managers' attempt to call a parade of unnecessary witnesses. Now we have an apparent effort from the office of Kenneth Starr, the independent counsel, to spark a debate over criminal prosecution of the president at a time when the Senate deserves a calm decision-making atmosphere and an open field for negotiation.

Mr. Starr is already regarded by his critics as an obsessive personality. Now he seems determined to write himself into the history books as a narcissistic legal crank.

Once the Senate started the second presidential impeachment trial in American history, that was his cue not only to shut up but to stop any activity by his office that would direct attention away from the Senate or reduce its bargaining power.

The issue of who leaked news of Mr. Starr's indictment research to The New York Times is a phony one. What is needed here is not an investigation of journalistic sources, but attention to the substance of his legal mischief. It seems designed to disrupt these solemn deliberations into presidential misconduct of a serious if undeniably sordid kind.

The news article highlighted an underlying problem. Mr. Starr keeps flapping around — with deliberations over indictments and by meddling in the House managers' contacts with Monica Lewinsky — in ways that complicate Senate work that is more important than he is. The Senate should rebuke him and also appeal to the federal judges who supervise him to restrain him from further dis-

turbance of the constitutional process.

This incident is more serious than Mr. Starr's customary blundering. The constitution clearly allows the indictment and prosecution of officials who have been impeached by the House and removed from office by the Senate. But whether such a trial should go forward in this case is a complex constitutional and civic question that needs to be shaped by the wisdom of the Senate rather than by Mr. Starr's personal inclinations and his idea of prosecutorial duty. If the three witnesses being deposed this week do not dramatically change the evidence, then the Senate is clearly the right place to make the final disposition of President Bill Clinton's case.

For Mr. Starr's office to be talking about a trial inhibits the Senate's freedom to draft a censure resolution that might include some kind of presidential admission. Indeed, virtually everyone in the capital except Mr. Starr seems to know that censure-plus-admission, speedily arrived at, would be a far better outcome for the country than a trial for either a sitting or a former president.

To be sure, if the charges were of greater criminal magnitude or threatened orderly government, such a trial could be fitting and constitutional once a president was removed. While removal is not appropriate in this case, the Senate is clearly the appropriate venue for condemning and finding a proportional punishment to offenses like those committed by Mr. Clinton. The Senate, which is always talking about its potential collective probity, needs to find a way to slap Mr. Starr back into line.

—THE NEW YORK TIMES.

Left Behind as the Globalization Train Speeds Up

By Thomas L. Friedman

DAVOS, Switzerland — U.S. Deputy Treasury Secretary Lawrence Summers joked the other day that he had a new idea for solving the problem of Brazil's collapsing currency. He suggested that the Brazilians rename their currency "real.com."

Judging from U.S. stock markets, it would double in value every 90 days.

Mr. Summers' joke, though, actually captured the most interesting aspect of this year's Davos World Economic Forum.

Every year at Davos someone stands out as the trend-setter. This year the stars were invisible: One was Amazon.com and the others were the leaders from so many developing countries who used to come here regularly but this year didn't show. And therein lies a story.

Every panel discussion here on the Internet economy was sold out, and the panel where experts discussed whether the Internet stocks were "a bubble" about to burst was standing room only.

The Princeton University economist Alan Blinder kicked off that discussion by observing that there was probably some bubble quality to the Internet stock craze, or, as he put it: "I have a

general rule: Whenever something becomes worth more than the whole state of California, sell it."

Interestingly, though, the person who poured the coldest water on the Internet mania was Microsoft's chairman, Bill Gates, who said, "I find the valuations of high-tech stocks in general surprisingly high." He argued that the high-tech business today is so intense, and companies can be overtaken by competition from so many different directions, that making any assumptions about the future earnings of any high-tech company, particularly one on the Wild West Internet, is very risky.

But people are missing the most important point about the Internet stock boom, said Mr. Gates. Whether or not it is a bubble, it is attracting enormous amounts of new venture capital to every imaginable Internet-related company, and this influx of cash is going to drive "the pace of Internet innovation even faster."

For the global business leaders here, nothing could be more exciting. But for the other invisible party — the leaders of

developing countries — nothing could be more depressing than the thought that the world will be getting faster.

There was a time when the head of state of a developing country like Thailand or Mexico would not want to miss Davos and the chance to show off for the big multinationals. It was almost as if by simply coming here you were automatically part of the global economy.

But in the wake of the meltdowns in Mexico, Russia, Southeast Asia and Brazil in recent years, a new sobriety is taking hold in many of these emerging markets. Their leaders are coming to realize that the answers to their problems are not here. They are at home.

They are starting to realize that it makes no sense to come to Davos and show off your country if you do not have a financial, legal and regulatory structure able to handle the electronic herd of global investors. And the only way to get that structure is to build it yourself from the ground up.

"You cannot wait for Godot," remarked Noordin Sopiee, one of Malaysia's leading strategic thinkers. "We have to solve our problems at the national level. God help those who expect others to help them."

Emad el-Din Adeeb, editor of the Egyptian journal *Al Alam* Al Youm, concurred: "O.K.," he said to me, "I understand we need to get prepared for this globalization and that is partly our responsibility. There is a train that is leaving and we should have known this and done our homework. But now you should slow the train a bit and give us a chance to jump on."

And that is what is scary about this year's Davos: Just when the developing world is coming to really grasp that it has no choice but to get itself ready to climb aboard this train, Bill Gates is predicting that the train is going to get faster, not slower, as the developing world moves toward Internet-based commerce, communication and learning systems.

What is worse, no one can slow the train down, because the world economy today is just like that Internet: Everybody is connected but nobody is in charge. As the Deutsche Bank economist Ken Couris observed: "The developing world has decided to catch the train just as it's being dematerialized and turned into a virtual experience." That is not an easy train to catch.

The New York Times

The Deregulation Orthodoxy Has Faded, but What Comes Next?

By William Pfaff

DAVOS, Switzerland —

The World Economic Forum provides a reliable annual guide to what is on the mind of the industrial world's political and corporate managers and its more prominent economic thinkers and publicists. Or perhaps it provides a guide to what they think they ought to be thinking about, which is interesting in itself.

Before 1998 the overall themes were triumphal: celebrating a benevolent economic dynamism which was being extended globally, incorporating the developing world and enriching the whole, reinforcing and consolidating all this with the passing years.

That went on until last year, when the thunderclouds that had been building up in the eastern sky broke into a storm which swept through developing Asia, and the skies still have not cleared — particularly those over Indonesia, where political crisis has followed economic collapse.

This year the Davos organ-

izers prepared to debate reform of the system, but little of substance has emerged. Assorted eminences preferred to debate "what will keep the world economic engine going," to quote one session's title.

Nonetheless, the talk that has taken place on the destructive effects of deregulation and free markets, possible new regulatory structures for the international economy, the history of financial bubbles, and the ethical responsibility of business has expressed a salutary change in the mood of "Davos Man."

The roots of the change are diverse. It is significant that despite President Bill Clinton's call for new trade liberalization and fast-track negotiating authority in his State of the Union message last month, no one in Washington expects such legislation. Globalized trade will be an issue in the presidential campaign of 2000.

American enthusiasm for

trade liberalization has passed its peak. Corporations have been the force behind it, but the public, like that in Western Europe, has been apprehensive about where it was taking the country. U.S. labor unions, critical of globalization, are more influential now than in 20 years.

The new Washington-based Overseas Development Council (whose chairman is the former head of GATT, Peter Sutherland, now of Goldman Sachs), has produced critical works on globalization and has a new study arguing for increased government influence over the internationalization of developing economies.

The author, Dani Rodrik of Harvard, argues that developing nations should not sign globalizing international agreements without participation and agreement by broad social groups within their countries, and says there should be solid evidence — not ideological incantations — to demonstrate

that accepting external economic disciplines will actually be good for a country. A couple of years ago Davos Man would have considered that reactionary, if not subversive.

An important change in the past year was that left-of-center governments came to power in Germany and Italy, joining socialist France and Britain. Except in Britain, these governments take a more critical view than before of social and institutional deregulation of society.

Europeans blocked the multilateral investment agreement being drafted last year at the OECD, which would have authorized corporations to sue governments for imposing environmental, cultural or national restrictions on foreign investment. The OECD's own Forum for the Future is raising questions about the existing system that would have been considered unorthodox a year or two ago.

The developing economic and fiscal policies of the 11

European Union common-currency countries promise in the next few years to provide a new economic and trade model. A challenge to the American economic model is taking form.

The crisis provoked by unregulated investment and speculative flows, the plight of Russia, victim of an unsuitable Western model for development, and the inadequacies of IMF remedies for both have decisively weakened the orthodoxy, but it is also a crucial development that the globalist model of the future simply is no longer as interesting as it was.

It was presented as a kind of panacea for the world economy. Now its limitations, and the destructive consequences it can have, are clear — and, anyway, the world has changed. This is what is seriously interesting today, and if most of the corporate leaders don't yet understand the change, the academic and political elites present in Davos do.

International Herald Tribune, Los Angeles Times Syndicate

Cheese-Rich 'Euroland' Will Get a Treasury Secretary

By Roy Denman

LONDON — Charles de Gaulle wondered how you got union from a France with 346 types of cheese. Only leadership of a star-studded kind could perhaps achieve it.

The question poses itself for the euro. After its successful launch, it ranks with the dollar as one of the two leading world currencies. When there is thunder in the financial heavens it is important that there should be one voice speaking for the euro. Will the treasury secretary for Europe please stand up?

"Euroland" has even more cheeses than France. It also has 11 finance ministers.

The meeting of the European Council in Vienna in December recognized that "speaking with one voice" for the euro was important. But then it decided on a three-cornered representation. First would come the

finance minister of the country holding the EU presidency. If this country were outside Euroland, its finance minister could accompany the finance minister who was chairing Euroland. The European Central Bank would be allowed to be present as an observer, and the European Commission to assist.

This arrangement is about as likely to last as a shaky barn door in a rising gale.

The euro is only the latest step toward a unified Europe. Before it came the common external tariff. Imagine that in the heat of one of the world trade negotiations of the last 40 years the European team had suddenly donned tools at midnight. "Sorry folks, union rules, you know. Got to hand you over for the next few

months to Jean-Pierre or Luigi." Any chance of slowly developing the relation of trust and confidence essential to the success of any negotiation would have been destroyed.

So Europe has had to speak with one voice on trade. How it achieved this shows what might happen with the euro. The Treaty of Rome provided that on trade the commission would negotiate for the Six. The real reason for this was that France then ruled the roost. Germany was still emerging from the shadow of Hitler. Italy was remote beyond the Alps, and the small countries were small countries. The commission would do unchallenged France's bidding.

Had this not been the case, the treaty would have been

drafted quite differently. It would have provided for the member state in the chair to conduct the negotiation, advised on detail respectfully by the commission.

In early 1961, I was negotiating for the British with the six member states of the EEC in Geneva. I lunched regularly with the German delegate. One day he arrived with an air of excitement. "Something momentous has happened," he exclaimed. "The commission has disagreed with the French!"

The commission had made its first bid for authority.

But it still took time. The trade ministers of member states were reluctant to hand over authority to what they considered a bunch of bureaucrats.

A few years later, the Six embarked on a further trade negotiation. When the senior commission negotiator called on the American delegation, the French and German delegates insisted on accompanying him. To the Americans he seemed under close arrest.

At the end of that negotiation, the Kennedy Round, Jean Rey, the European commissioner responsible, found that he would be able to strike a deal, but only beyond the mandate that the ministers of the Six had given him. There was no time to get them together again, for American legislative authority was fast running out. He had to act on his own.

He rang up Bonn; a state secretary left him none the

wiser. He rang up Paris and spoke to President de Gaulle's foreign minister, Maurice Couve de Murville. The minister was silent. Then he asked, "Do you really want a reply?"

Mr. Rey had a vision of him climbing a mountain to consult God and receiving a thunderbolt. He withdrew the question and went ahead on his own.

It worked. The ministers of the Six backed him. The commission had won its spurs as the trade negotiator for Europe.

Much the same will happen with economic and monetary affairs. It will take longer, because if trade ministers thought they were important, finance ministers think they are divinity. They will still have to be consulted before Euroland speaks with one voice, as will the European Central Bank.

But the present intended kaleidoscope of politicians representing Euroland will have to be replaced by one voice. And the member of the commission with the economic and financial portfolio will end up as the European treasury secretary. Member states will begin to take this into account in the weight of the candidates they put forward for appointment as commissioners.

History is made not by rules but by persons who shape the rules.

The writer, a former representative of the European Commission in Washington, contributed this comment to the *International Herald Tribune*.

Yes, U.S. Missile Defense for Asia

By Gerald Segal

LONDON — The debate about whether to deploy missile defenses is shaping up as one of the most contentious strategic issues of the next decade. The main theater of the debate will be Asia.

First, there is a proposal to deploy theater missile defenses to protect U.S. forces in Asia. This would have to include Japan and South Korea, and probably also Taiwan.

Second is the Clinton administration's plan, disclosed last month, to spend \$4 billion researching and testing a national missile defense program over the next six years; \$6.6 billion is to be set aside for possible future construction of the system. North Korea's missile test last August showed that it was making faster progress than expected in developing missiles capable of attacking not just Japan but U.S. territory as well.

An element of diplomatic duplicity surrounds the real rationale for missile defenses against threats that are more limited than that posed by the former Soviet Union. The United States does not want to alarm China by overt talk of systems that could neutralize Chinese nuclear missiles, but Beijing understands that most of the discussion of a North Korean threat is really concerned with China.

Chinese officials react vehemently to any talk of American missile defenses. Washington

will not let Beijing have a veto on defining what is in the U.S. strategic interest. Japan's willingness to begin serious exploration of theater defenses shows that it is getting fed up with China trying to dictate the future shape of Asian security.

Beijing has only itself to blame for moves by the United States and its Asian friends to develop missile defenses. China has been conspicuously unhelpful in restraining North Korea because it has cockily assumed that the United States would have to keep compromising with Beijing on strategic issues for fear of making matters even worse on the Korean Peninsula.

China's failure to be transparent about its own defense buildup and its unwillingness to open a trilateral government-to-government dialogue with the United States and Japan on Asian security have increased long-term worries about what seems to be a Chinese strategy of playing for time while it grows stronger.

The fact that China has now indicated a willingness to talk to the United States about national missile defenses and the Anti-Ballistic Missile Treaty suggests that Beijing may be realizing that it has pushed its luck too far.

There is much uncertainty about whether missile defenses

will be effective or too costly. But there is little reason for the United States not to proceed with serious research and even early development of anti-missile systems. U.S. allies in Asia should welcome these efforts if only because they make it more likely that the United States will stay to defend its friends in the region.

In Europe, U.S. allies are prepared to sustain and modernize NATO; a NATO summit in April is to ratify a new strategic concept. In Asia, the United States has to act much more on its own. If it is expected to stay in Asia, it will have to find ways to defend its homeland from Asian adversaries.

If Washington heeded Beijing's demands that it not build an anti-missile shield, it would be more likely to withdraw U.S. forces from Asia and end its key role in maintaining the balance of power in fragile region.

It seems increasingly obvious that an American departure is what China wants. So allies and friends in Asia should help the Americans to develop effective protection from missiles.

The writer is director of Britain's Pacific Asia Program and director of studies at the International Institute for Strategic Studies. He contributed this comment to the *International Herald Tribune*.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1899: Female Dignity

PARIS — A despatch gives an account of a curious movement in Illinois. It states that "prominent women throughout the State are organizing a crusade against the use of the female form in illustrations for advertising purposes, and a bill will be introduced in the Legislature prohibiting it." Gertrude Wallace, president of the federated women's clubs, said: "The mothers of civilized, enlightened America believe that the indiscriminate use of woman's face as an advertising medium not only lowers the standard of her womanhood in dignity, but deprives the high ideal for which she was created."

1949: Brief Marriages

HAMBURG — A campaign to allow surplus German women to take temporary husbands so that they may bear children is being waged by a schoolteacher. The schoolteacher pointed out that 7,000,000 German women have no hope of getting husbands. Therefore they should be allowed to marry temporarily for a specified period so as to bear children "to save our culture."

1924: Press Dean Dies

PARIS — [The Herald says in an Editorial:] France has lost another of its venerable publicists in the death of M. Arthur

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INTERNATIONAL

U.S. Jets Blast Iraq Anti-Ship Missile Battery

WASHINGTON — American warplanes broadened their response to Iraqi challenges of no-flight zones on Tuesday by attacking an anti-ship missile battery in southern Iraq after coming under fire from anti-aircraft artillery, U.S. officials said.

It was the first time in the recent string of almost daily confrontations in the skies over Iraq that U.S. planes have targeted shore-to-ship missile emplacements. They have routinely fired on radar sites, surface-to-air missile batteries, communications links and other elements of Iraq's air defense network.

There was no indication from U.S. officials that Iraq had fired any anti-ship missiles to provoke the attack. The incident indicated that U.S. forces were no longer limiting their choice of targets to air defense sites.

Separately, U.S. officials reported five incidents Tuesday in northern Iraq in which U.S. Air Force and Marine Corps planes attacked anti-aircraft artillery sites and radar associated with an SA-2 surface-to-air missile battery. The American planes acted after encountering anti-aircraft artillery fire, officials said.

In the incidents in northern and southern Iraq, all U.S. planes returned safely to their bases, officials said.

In southern Iraq, two navy F/A-18s and two navy F-14s fired a total of four precision-guided bombs, known as GBU-12s, on a battery of CSSC-3 anti-ship missiles on the Al Faw Peninsula that juts into the Gulf at the mouth of the Shatt al Arab waterway, officials said.

Earlier Tuesday in the northern no-flight zone, air force F-15Es dropped two precision-guided bombs on an anti-aircraft artillery battery after being targeted by Iraqi radar, the U.S. European Command announced. Fifteen minutes later, another Iraqi radar targeted F-15Es, whose pilots responded by dropping more precision-guided bombs.

In a third incident in the north, a Marine Corps EA-6B electronic warfare plane fired a high-speed anti-radiation missile at an SA-2 missile radar site. In a fourth incident, about five minutes later, an unspecified number of F-15Es dropped GBU-12 precision-guided munitions on an anti-aircraft artillery site.

And, 10 minutes later, F-15Es dropped an unspecified number of GBU-12 munitions on another anti-aircraft artillery site deemed to pose a threat to U.S. and allied aircraft.



MOSCOW CHILL — Snow blanketing Red Square on Tuesday. A low of -20 centigrade was forecast.

FRANCE: Going It Alone, U.S. Inspires Drive for Multilateralism

Continued from Page 1

institutions. In the case of Germany, however, the Frankfurter Allgemeine Zeitung reported that Foreign Minister Joschka Fischer refused to condemn what was termed American unilateralism when he was asked to pass judgment on it during an appearance before the French National Assembly's Foreign Affairs Commission. He said instead that unilateral actions were essentially a result of European indecisiveness.

The French analysis pointed obviously in another direction.

Last month, Mr. Jospin said, "We're confronted with a new problem on the international scene. The United States often behaves in a unilateral manner and has difficulty in assuming the role it aspires to as organizer of the international community."

Mr. Jospin's foreign minister, Mr. Vedrine, detailed the government's viewpoint about six weeks earlier.

He described "the predominant weight of the United States and the absence for the moment of a counterweight" as "the major fact of the global world today." The United States, he said, "leads it to hegemony, and the idea it has of its mission to unilateralism. And that's inadmissible."

In an interview with the French newspaper Liberation, Mr. Vedrine asked himself rhetorically what was to be done

in response. His answer, in part, was:

"On the condition of not living in a dream world, knowing the principle of leverage and a few others from 'international geopolitics,' knowing how to put together ad hoc majorities or blocking minorities... we can use the margin for maneuver we have in a thousand ways."

But to succeed against the "daily manifestations" of American power, a method was necessary. The foreign minister set it out in five steps:

1) Have solid nerves; 2) Persevere; 3) Methodically widen the bases of agreement among Europeans; 4) Cooperate at each stage with the United States, combining friendship and the will to be respected, while defending in all circumstances organized multilateralism and the prerogatives of the Security Council; 5) Prepare politically, institutionally and mentally the moment when Europe will have the courage to go further."

For Mr. Vedrine, there had to be a better way of organizing the world than leaving it to American unilateralism. He said, "There are two opposing approaches: on one side, the dominant power with its means of influence; on the other side, a system both multilateral and multipolar associating all or part of the 185 countries of the world, which supposes the reform or reinforcement of the Security Council, the IMF, the World

Trade Organization, the G8, and that the European Union be one of the dominant poles in this restructuring. We are working at it."

For the moment, French attention seems to be on reorganizing the IMF to come more directly under the political control of member governments so as to minimize what is perceived here as the organization's role as an instrument of American influence. Voting power in IMF councils is based on national wealth and economic performance.

Mr. Chirac, in turn, came to the issue of American unilateralism after the remarks from Mr. Jospin and Mr. Vedrine. In a speech before the diplomatic corps here, he said the UN General Assembly should consider adopting a set of principles for an international order in the new millennium based on "collective sovereignty."

Of Mr. Chirac's list of seven principles, the first — without a specific reference to the United States — called for "collective responsibility" in international action "excluding unilateral temptations and leading to shared management of the global risks and threats that weigh on our peoples." The other principles went to the same general theme of multilateralism: equality, solidarity and diversity among nations.

Mr. Chirac travels to the United States on Feb. 19 to meet with President Bill Clinton.

Paul Mellon Is Dead at 91; Shy Philanthropist Led National Gallery of Art

By John Russell
New York Times Service

NEW YORK — Paul Mellon, 91, the patrician art collector who tenaciously turned philanthropy into his personal art form, primarily through his stewardship of the National Gallery of Art, died Monday at his home in Upperville, Virginia.

A son of enormous wealth, Mr. Mellon turned from his family's world of banking and business to become an endlessly inventive benefactor of the nation's cultural life.

The Mellons' total contributions to museums and other causes from parks to poetry has been estimated at nearly a billion dollars. The money has gone to save seashores and encourage scholars. It established the Yale Center for British Art and America's top poetry award, the Bollingen Prize.

But to many, the greatest monument to the family's fortune, and to Mr. Mellon's personal dedication, is the National Gallery in Washington, conceived as a gift to the people by his father, Andrew Mellon (1855-1937), the financier and longtime secretary of the Treasury.

The elder Mellon did not live to see his wish fulfilled. But Paul Mellon, who never shared his father's love for commerce, more than inherited a dedication to giving something back to society. For the son it became a way of life.

"Giving away large sums of money nowadays is a soul-searching problem," he once said. "You can cause as much damage with it as you may do good."

At a time when many patrons of the arts insist that their names be chiseled on a museum's facade, he was remembered for avoiding self-promotion and refraining from narcissistic exercises of power.

"Some of it, I suppose, is just a natural shyness on my part," he once said. But there were other reasons. In "Reflections in a Silver Spoon," his 1992 autobiography, written with John Baskett, he said, "If my father had created 'the Mellon Gallery of Art' in Washington, would other donors have been willing to support it?"

Paul Mellon was born in Pittsburgh on June 11, 1907, the only son of Andrew Mellon and his first wife, the English-born Nora McMullen. Andrew Mellon, a partner in the private bank founded by his father, Judge Thomas Mellon, in Pittsburgh in 1870, became one of the most successful U.S. financiers of all time.

Throughout his school days at Choate, in Connecticut, and later at Yale and at Clare College, Cambridge, Paul Mellon developed in ways that defined and strengthened his character, even if they did not always delight his father.

Whether in the United States or in England, he loved the countryside. It was there that he could indulge his passion for horses. His horse Mill Reef won the English Derby in 1971, and he was a champion trail rider until well into his 70s.

When he returned to Pittsburgh from Cambridge in 1931, he agreed almost as a courtesy to his father to enter the Mellon Bank as a trainee clerk. His father's employees never dared to evaluate the boss's son, and in due time he was invited to join one corporate board after another.

On Nov. 29, 1936, he had a crucial meeting with his father, who was in failing health. He recalled telling his father that he could not be "an inadequate replica of yourself, or a counterfeit." He was not a man of business, and never would be one. To his surprise, his father said that was not necessary. He should consider himself as an owner who "kept vaguely in touch through the head people."

Two months before Andrew Mellon died in 1937, construction began on the National Gallery of Art, which had been approved by Congress that year. Andrew Mellon provided funds for the initial gallery, now known as the West Building, designed by John Russell Pope. He also gave 115 paintings, 31 of which had been sold by the cash-poor Soviet government from the Hermitage in Leningrad.

On March 17, 1941, Paul Mellon officially presented the National Gallery to President Franklin D. Roosevelt along with the Andrew Mellon Collection, including Raphael's "Alba Madonna," van Eyck's "Annunciation," Botticelli's "Adoration of the Magi" and a Gilbert Stuart portrait of George Washington.

Paul Mellon was the National Gallery's president and a trustee from 1938 to 1939, rejoining the board in 1945. He served again as president from 1963 to 1979 and as board chairman from 1979 to 1985, when he became honorary trustee.

Through the years he made clear that

he did not wish anyone on the staff to bow and scrape at his arrival. To his final days, he would call the gallery's director, Earl Powell 3d, and ask, "Would it be all right if I came to lunch tomorrow?" Still, when he retired from the board in 1985, he told the trustees that he would haunt the gallery for the rest of his life. "And who knows?" he said. "Perhaps from beyond."

Over the years, he gave 913 works to the National Gallery, including Cezanne's "Boy in a Red Waistcoat," two paintings by Mark Rothko, Alexander Calder's animal sculptures, Winslow Homer's "Dad's Coming," Picasso's "Gauguin," Bonnard's "Villards," a Manet, the original wax version of Degas's "Little 14-Year-Old Dancer" and postcards written by van Gogh and Matisse.

He once said that "collecting is the sort of thing that creeps up on you." That was certainly true of his panoramic enthusiasm for English art in all its forms. Before long those holdings seemed to call out for a home of their own. From this came his decision to create the Yale Center for British Art, a museum and research institution that is the largest collection of British works outside Britain. It opened in April 1977.

Mr. Mellon also was a single-minded and single-minded environmentalist. In 1956 foundations that had been started with his sister published a report, "Our Vanishing Shoreline." As a result of this alarm, and with considerable amounts of Mellon funds, parts of the Cape Hatteras National Seashore, the Great Beach of Cape Cod and Cumberland Island off the coast of Georgia have been preserved.

BRIEFLY

U.S. Probes Release Of 5 Palestinians

JERUSALEM — U.S. security officials are investigating Israeli allegations that the Palestinian Authority released five militants involved in deadly attacks on Israelis and Americans, a U.S. official said Tuesday.

Israel says that Palestinians involved in terror attacks were among members of militant Islamic groups released by the Palestinian Authority last month, in a pardon for a Muslim holiday.

Among those released, Prime Minister Benjamin Netanyahu has said, were five Palestinians involved in attacks that killed dozens of Israelis and five U.S. citizens.

The Palestinians insisted that none of those released were implicated in attacks and none were wanted by Israel. (AP)

Yemeni Tribesmen Free 6 Westerners

SAN'A, Yemen — Tribesmen in Yemen released a Dutch family of four and an elderly British couple Tuesday, more than two weeks after they were abducted, Yemeni security officials said.

Yemeni officials said the release followed talks between tribal leaders and the kidnappers, who abducted the six Jan. 17 to demand the release of a tribe member from prison.

Yemeni officials said that Germany's ambassador was meeting with a senior tribal leader to seek help in releasing two German hostages still being held.

Four Western hostages were killed in a shoot-out in December between kidnappers and security forces. (Reuters)

For the Record

Twenty-eight people were killed, 20 on the ground, when a privately-owned Antonov 12 aircraft crashed into a poor neighborhood Tuesday in Luanda, the Angolan capital. (Reuters)

Police have recovered 12 stolen paintings by one of Mexico's major artists, Rufino Tamayo, but they failed to catch the thieves, Notimex news agency said. (Reuters)

DAVOS: World Financiers Send Message to Shaky Economies: You'd Better Get Used to It

Continued from Page 1

roof," Mr. Courtis said, "but we'll soon forget about this crisis."

There was another troubling message here from an upstairs economy that most conferees acknowledged they knew little about: the world of computers and electronic commerce.

The skyrocketing market value of American technology stocks stunned economists and officials from around the world, said David Hale, chief economist of Zurich Insurance Group.

America Online Inc., he said, "now has a bigger market cap than all the transport companies in the United States put together. That's what really stunned

everyone in the private sessions here." But there was also a widely voiced fear that high-flying technology stocks will soon collapse and knock down the broader U.S. equity market, triggering another global crisis and hobbling the world's strongest economy and biggest importer.

At the intersection of the old and new economies, some found humor.

Lawrence Summers, the U.S. deputy secretary of the Treasury, suggested that the best way to resuscitate Brazil's traumatized currency, the real, would be to float it on the stock market as real.com.

But humor was not the prevailing theme at Davos, where the discussions, according to Senator Kerry, "centered on the thesis that we need to find a way to

put a human face on globalization and respond to a set of needs that are imperative if all countries are to manage this process effectively."

"The atmosphere is very different this year than last," he added. "Last year, there was a sense of foreboding, helplessness and confusion. This year there is both resignation and confidence about where we're headed."

However, he also noted tacitly that there was "agreement that stronger leadership may be needed."

Lee Kuan Yew, Singapore's senior minister who described himself as a conservative and proponent of what he called firm leadership, said the toll in Southeast Asia had been high.

"In Indonesia," he said, "it will be many years before you have a leader who can swing things back to a situation that will allow the proper running of the country."

Under traditional Asian leadership, Mr. Lee said, "there had always been not a counting but a chopping of heads," and thus leaders were strictly obeyed.

"The world is changing so fast," he said, "I do not know whether Singapore can move quickly enough to find a niche in the new constellation of technologically and knowledge-based economies."

"It is a totally different world that can unravel age-old values that have held our country together."

FAKES: Bargains for Hong Kong Shoppers

Continued from Page 1

residents in the last six months, as the Asian recession has made authentic designer goods seem unaffordable. For many label-crazy Hong Kongers, shopping at Lo Wu is the only way to keep up appearances in hard times.

Cheryl Kwok, a Hong Kong resident who is married to an executive at Hyatt Hotels, said she had made six pilgrimages to Shenzhen to buy sunglasses and handbags, and to have clothing tailored. Though she said she could afford Gucci or Fendi sunglasses, she said she felt uneasy about such conspicuous consumption, given the downturn in the economy.

"The whole attitude has changed in the last year," said Ms. Kwok, 39, as she sat in her apartment overlooking Hong Kong harbor and petted her white poodle. "People go up there because they get a great kick out of buying something for a fraction of what it costs in Hong Kong."

For Hong Kong's purveyors of luxury goods, like Mr. Ching, those are chilling words. After years of pleading with the local Customs and Excise Department to crack down on the sale of counterfeit goods in the territory, he now must worry that his clients might take their dollars across the border (Shenzhen's shops have few mainland customers and generally accept only Hong Kong dollars).

The Hong Kong government has aggressively raided illegal shops and factories in its own territory, but Mr. Ching said China had made little headway in the fight against fakes on the mainland, whether compact discs or Gucci wallets.

"In Hong Kong, if you complain enough, they'll take action, stage some high-profile raids, make a few arrests," Mr. Ching said. "But in China, these things are just so rampant, and the law enforcement is so spotty."

Indeed, the local authorities have been waging an uphill battle against counterfeiters in the Lo Wu mall. In early January, officials from the Shenzhen Trade and Industry Bureau raided two shops and seized 80 fake handbags. But the campaign has hardly dented the bustling commerce at the mall.

For starters, the officials do not work on weekends, which means the shopkeepers are not bothered during the two busiest days of the week. Some stores stock two sets of products — with and

without trademarks — and stash the fakes in plastic bags when there is a risk of a raid. Even when officials conduct sweeps during the week, their arrival rarely surprises or ruffles the shopkeepers.

"We just close the door and wait until they go away," said one sales clerk who would give her name only as Miss Wang. Sometimes, the shoppers huddle behind the door along with the salespeople.

When the shoppers return home, they are subject to Hong Kong law, under which it is illegal to import goods with a forged trademark. But the law has loopholes: If a person does not know that the goods are counterfeit, or does not plan to resell them, then the person is not subject to prosecution.

Hong Kong officials recently arrested two women at the border for carrying 200 leather bags, which they said they intended to resell. So far this year, officials have carried out 14 seizures of counterfeit items, compared with 38 in all of 1998.

But a Hong Kong customs spokesman, Richard Law, conceded that officials could not rifle through the bags of every person they suspected of carrying fakes. On a recent Sunday, most shoppers were not checked — even those carrying bulging bags and hauling brand-new suitcases.

For all its gritty novelty, some observers predict that people will stop shopping for knock-offs in China as soon as they feel flush again. They say that with its surly crowds, dim lighting and cramped shops, Lo Wu will lose its appeal among well-manicured Hong Kong shoppers.

Mr. Ching is among those who dearly hope that Hong Kong consumer snobbery will eventually put Lo Wu out of business. But he worries that the quality of the counterfeits — most of which are made in China and South Korea — has become too good. People may be reluctant to pay \$387 for a genuine Prada backpack when the \$19 imitation is virtually identical.

Then, too, he said, there is the primal rush of knowing one can buy something for next to nothing — a thrill to which he himself is not immune.

"I thought it was great fun," Mr. Ching said, after spending a day at Lo Wu recently. "I was tempted, too. Of course, I would be fired if my boss caught me walking around with a fake Polo bag."

Explosion in China Injures Policeman; Ticking Bomb Found in Hotel Bedroom

Reuters

BEIJING — A policeman lost both arms and was blinded in one eye when a time bomb exploded in China's central Henan Province, the police said Tuesday.

In a separate incident, in southeastern Fujian Province, two men have been arrested for allegedly detonating a remote-control bomb outside a bank in an attempted robbery, the Guangzhou Daily said. Two people died and five were injured.

The police in Henan have launched a manhunt for Zhang Xitang, 20, an unemployed villager who is accused of leaving a time bomb in his hotel room in Xiangcheng on Jan. 26.

Officers, acting on a tip, were searching Mr. Zhang's hotel room when they heard a ticking sound. The Yangcheng Evening News said in an edition seen in Beijing on Tuesday.

Jiang Ziliang, 36, a policeman, was

injured as he rushed out of the hotel with the ticking bomb into a crowded street, the police said.

Mr. Jiang was rushed to a hospital and was listed in stable condition, the newspaper said.

Mr. Zhang allegedly tried to extort money from his village's Communist Party secretary, the police said.

Mr. Zhang's alleged accomplice, Zhang Wei, 29, was in police custody after he tipped off the village Communist Party secretary about the time bomb in the hotel, the police said.

Zhang Xitang planned to plant the bomb at the village party secretary's home near the hotel that evening, the police said.

In January, China was rocked by at least seven bombs that killed 31 people and injured more than 100.

Government donations have poured in for Mr. Jiang, who has a 4-year-old daughter, a city official said.

Huntz Hall, a Bowery Boy and East Side Kid, Is Dead at 78

New York Times Service

NEW YORK — Huntz Hall, 78, who for 20 years played the slow-witted sidekick of Leo Gorcey in more than 80 "Bowery Boys," "Dead End Kids" and "East Side Kids" movies, died Saturday in Los Angeles of cardiac disease.

Rarely if ever has a bit of Broadway casting led to as many lucrative replays and adaptations of the same roles as when Mr. Hall, Mr. Gorcey and four other young actors appeared as New York street toughs in Sidney Kingsley's 1935 play "Dead End."

Peppering their speech with "dese," "dem" and "dose," the six portrayed the hard-luck solidarity of poor teenagers who, seeing few alternatives to lawlessness, find themselves impressed by criminals.

The youths, who were shown diving into an orchestra pit transformed into the East River, had a powerful role in establishing the play's realism.

When Samuel Goldwyn produced the 1937 film version of "Dead End," adapted by Lillian Hellman and directed by

William Wyler, the six juveniles served as something of a Greek chorus, variously tempted and repelled by the older characters played by Humphrey Bogart, Joel McCrea and Sylvia Sydney. As in the play, Mr. Hall played the character called Dippy.

The movie was a hit, and the Dead Enders — Mr. Hall, Mr. Gorcey, Gabriel Dell, Billy Halop, Bobby Jordan and Bernard Punley — became such stars that within two years Warner Bros. rushed through the production of six more films in which they portrayed roughly the same group of wayward teenagers, more victimized by society than victimizers.

For the most part, the new films were variations on the theme of "Dead End." In urban settings still tinged by the Depression, the films' anti-heroes were criminals or suspects in crime played by stars such as Mr. Bogart in "Crime School" (1938), James Cagney in "Angels With Dirty Faces" (1938) and John Garfield in "They Made Me a Criminal" (1939). The young men always struggled

with their feelings toward these notorious neighborhood luminaries.

In 1946 came the first of the "Bowery Boys" series, in which Mr. Gorcey played Slip Mahoney, the ring leader, and Mr. Hall was Sach Jones, his sidekick. In all 48 films were made. In the last one, "In the Mooney" (1958), Mr. Hall, then 38, was once more the perpetual adolescent, dogging a poodle on a cruise as nefarious thieves tried to steal a diamond hidden on the dog.

Former Governor Mills Edwin Godwin Jr. of Virginia, 84, who rose above his segregationist past to become one of his state's most effective chief executives, died Saturday in Newport News, Virginia.

Jeanne-Marie Darre, 93, a French pianist whose interpretations of Chopin and Liszt solo works and the Saint-Saens Concertos were admired for their sophistication and interpretive inventiveness, died Jan. 26 in Port Marly, France, where she lived.

Ed Herlihy, 89, a radio announcer whose voice charted the course of World War II for moviegoers and who then for the better part of 40 years spoke for Kraft foods on radio and television, died Saturday at his home in Manhattan.

Jerzy Turowicz, 86, who skirmished with Communist censors for nearly four decades to produce a Polish Catholic weekly, Tygodnik Powszechny, that became widely known as "the only free newspaper from Berlin to Vladivostok," died Wednesday in Krakow, Poland, after suffering a heart attack.

Mario Zaccini, 87, the "human cannonball" who entertained circus crowds for decades, died of kidney failure Thursday. He was the oldest member of a Tampa, Florida, circus family, the last of seven brothers — five of whom were known as human cannonballs.

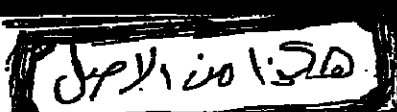
George Mosse, 80, a retired University of Wisconsin historian and authority on European fascism, died Jan. 22.

25 فبراير 1999

**Wright:
Gospel Truth**

"I have been thinking about you a great deal lately, and wondering how you are getting on. I hope you are well and happy. I have been very busy lately, but I have managed to find some time to write to you. I have been thinking about you a great deal lately, and wondering how you are getting on. I hope you are well and happy. I have been very busy lately, but I have managed to find some time to write to you.

[The following text is extremely faint and largely illegible due to poor scan quality. It appears to be a list or index of names and titles.]



Mitch Wright: The Gospel Truth

His Music Is Sum of Many Traditions

By Mike Zwerin
International Herald Tribune

PARIS — Before his current intergenerational collaboration, the up-and-coming multicultural gospel star Mitch Wright was formerly more interested in the artist formerly known as Prince.

He liked listening to Michael Jackson, too, but there was not much available beyond that. He once met the French blues hero Memphis Slim. "He was such a very big man," is about all that he remembers. Now he has grown to be the sum of more than one tradition. But as a child growing up in Paris he was cut off from African-American trends. His father is American, a professional gospel singer; his mother is German, her mother was a classical piano teacher. Gospel meant nothing to him.

In 1994, Mitch turned 21 and the Golden Gate Quartet celebrated its 60th birthday. The Paris-based gospel group gave close to 300 concerts that year.

Wright's father, Clyde, joined in 1954. He had been living in Bordeaux, a few years after an honorable discharge from the U.S. Army.

The group's founders, Clyde Riddick and the late Orlando Wilson, both close to 80 in 1994, were tired and looking forward to a well-deserved rest.

Clyde Wright was younger and energetic and ambitious at the end of 1994. With the quartet on hold, he formed his own group and called it the Gospel Caravan Trio. He asked his son to help him finish writing some songs. A quick CD was needed to support an impending tour of Switzerland.

Mitch Wright is a tall, outgoing, bright young man with a ready smile and bilingual fluency. "In my father's generation," he said, "if you wanted to make church music your profession, basically you had to accept that you would not be able to support yourself. Even today, I have cousins over in the states who grew up with church music, and the decision is not easy for them either. Should they cross over to pop? There's a line between religious and secular music. It used to be that if you crossed that line you would betray the church — betray yourself, in a way. It's different now, but still."

Gospel music can be traced back to a pianist named Thomas A. Dorsey, who accompanied the blues singer Ma Rainey and who had a religious ex-

perience in the 1920s. He came to believe that the human body was a temple, and he wrote and sang songs in praise of the Lord.

Dorsey had a hard time of it for a while. His songs adapted blues and jazz elements to sacred verses, and he was often told that there was no place for the blues in church. But eventually his influence became so strong that in the 1930s some gospel songs were known as "Dorsey's." Mahalia Jackson and The Five Blind Boys of Alabama and others became famous and sang in churches all over America after developing Dorsey's innovations.

With some exceptions, gospel was accompanied by the piano. Sister Rosetta Tharpe, with whom Clyde Wright sang, as a young man, played the guitar. Eventually, Ray Charles and Aretha Franklin put the blues back into it and much of today's pop is a post-gospel fusion. Of course, just about anything you hear today is some sort of post-hyphenated fusion.

While attending a Parisian lycée, Mitch Wright began to play around with making music. At 14, his teeth were not strong enough to blow a saxophone, so he switched to guitar. The guitar generally goes with the blues, which is considered by some churchgoers to be the "devil's music." The blues is basically about nighttime, while gospel people tend to wake up at first light.

Clyde Wright "sort of pushed" his son into the classical conservatory. Actually, the young guitar student loved to play classical music, and he understood. "It had been very hard for my father's generation to get a musical education. He insisted that I learn to read and write music."

Mitch learned pieces by Albeniz and Bach and later studied musicology at the Sorbonne. His knowledge of structure now helps him to write songs of his own (in French). Young Mitch's classical guitar teacher once gave him a little folk-blues piece to learn, and one day



Mitch Wright: "I have different musical sides. But gospel will always be the first one, the roots one."

his father overheard him jamming with a funk group.

Clyde Wright did not like that. As far as he was concerned, gospel and the blues, even folk blues, did not go together — secular versus religious. Classical was, well, classic. "My dad was angry," Mitch remembered. "He told me, 'The blues is not what I'm paying for.'"

MITCH was surprised when it became obvious that it was a real problem. For years, his father had worked on the SS France, sailing back and forth from Le Havre to New York. His father often told him how much he liked that life. He enjoyed meeting Hollywood stars such as Judy Garland. You don't get much more secular than that.

Mitch had not been aware of how important it was for his father to keep his gospel roots.

At the beginning of their collaboration, Mitch would work late at night to make sure he got the arrangements just right. He was studying arranging at the American School of Modern Music in Paris. This was good on-the-job training. They recorded 13 songs, enough for a CD. But it turned out that the Swiss tour had no recorded support after all, because contractual problems were followed by a lawsuit and the album was never released. It's called paying dues.

The Gospel Caravan Trio performed on stage together for the first time as part of a Radio France annual series. As musical director as well as singer, arranger and guitarist, Mitch conducts the rehearsals. (Including a supporting horns section, there are seven people on stage.) There were some short tours, an important concert near Toulouse, jazz festivals in Martinique and Andorra.

Over the past few years, they have learned enough repertoire for three sets, mostly their own material. The group is busy enough to keep the musicians it wants.

Although the evening following Christmas Day is generally a slow day in clubs, last Dec. 26 they packed the prestigious Petit Journal in Montparnasse.

"I have different musical sides," Mitch Wright said Saturday, before performing as part of the sixth annual international gospel festival in Paris. "But gospel will always be the first one, the roots one. I'll always carry that with me no matter what. I've discovered a real important part of myself."

Russian Resurrection

By Sheridan Morley
International Herald Tribune

LONDON — It was a rich, rare and amazing week for the rediscovery and rebuilding of two Russian classics, the first from 1870 and the second from 1910. Neither the first, Alexander Ostrovsky's "The Forest," at the National, nor the second, Maxim Gorky's "Vassa," Almeida Theatre at the Albany, were exactly unknown or unrevived here, but over them both had descended a fog of worthiness and a feeling of academic duty rather than sheer theatrical exuberance and enjoyment in their staging.

Within a few days, all that has changed forever: the new adaptations by Alan Ayckbourn ("The Forest") and Peter Gill ("Vassa") bring both plays off the library shelf and throw them into sharp relief as farces of families in meltdown for assorted social, historical, political and generational reasons.

Ayckbourn's version of "The Forest," stylishly directed by Anthony Page on a wondrous indoor and outdoor set by William Dudley, starts out as "The Cherry Orchard" and ends up as "Wild Oats." At its new center are a pair of strolling players, Michael Feast and Michael Williams, whose arrival wreaks havoc on a household dominated by a rich landowner (Frances de la Tour) determined to control, and where possible destroy, her nearest and supposedly dearest.

If you imagine a couple of Beckett tramps invading Sondheim's "A Little Night Music" you will have some idea of what is going on, maybe. Ostrovsky's genius here was to be the first since Shakespeare to write a play proving that the strolling players are the ones who, though apparently penniless and unemployed, retain integrity and nobility while the ostensible aristocrats around them cheat, lie and gamble to their heart's content. His arrow only finally reaches its target in one of the actors' last speeches. "We are the artists, you are the clowns," but we have seen it coming from a long way off. Though slow-starting, Page's production won-



Feast, left, and Williams in Ostrovsky's "The Forest."

derfully identifies the real heroes, and in Feast and Williams he has found one of the great comic double-acts of our time: Feast all strangled nobility and Williams chasing around him like a drunken but faithful dog.

London and New York are alive with plays in which the actors turn out to be the heroes, from David Hare's "Amy's View" to Terry Johnson's "Cleo, Camping," Emmanuel & Dick to Noel Coward's thespian comedy "Present Laughter"; it is as though, after years in which they have been vilified and traduced in the press as luvvies, player kings and queens are now back center stage in full greasepaint glory, probably for the first time in the almost 40 years since Stoppard's "Rosencrantz and Guildenstern Are Dead."

But Page's infinitely detailed character-study production acts as a useful counterpoint at those moments when Ayckbourn's parent love for his two actors threatens to unbalance the old edifice entirely, and the result would be far and away the best (and certainly the funniest) old Russian masterpiece in

London restoration were it not for the simultaneous arrival of "Vassa."

Though rather more familiar to local audiences than "The Forest," this too is a play that has suffered for years from a dire solemnity of staging. But the director Howard Davies has shot several thousand volts through it, and the outcome is another manic farce of Russian relative values gone hilariously and hysterically adrift.

Though written by Gorky some 40 years after Ostrovsky's "Forest," it has a curiously similar plot structure in which another formidable matriarch (Sheila Hancock) tries to maintain her dominance over a family that is patently coming apart at the seams.

Davies's production is peopled by some of the finest character actors in the business (Richard O'Callaghan, Adrian Scarborough, Ron Cook and David Tennant) and again it seems to be an anti-Chekhov project that, instead of mourning a lost rustic Russia of landed gentry and

servient peasants, suggests a whole new power structure built around ambition, greed, urban values and family-business takeovers. In that sense, these two plays remain more topical about modern Moscow than anything happening in the old cherry orchard. They have been brought back with a vengeance to suggest that there were many more subversive things going on in Russia a century ago than just the collapse of the old order, and in that sense these plays more accurately prefigure the coming of communism a few years later.

Taking its mood from Katharine Hepburn in "The Lion in Winter" ("Every family has its little problems"), the production remains true to Gorky while turning his plot into the very best of Ben Travers. In one of the first great feminist texts, cuckold husbands, crippled sons, loveless daughters and grubby cousins all find themselves hurled into a farce with pell-mell chases around the furniture and leaps from windows. Chekhov on Speed is the result, with Hancock in fine form as the Mother from Hell believing that anything she does is forgivable in the name of family.

Paris Fetes Contemporary Music

By David Stevens
International Herald Tribune

PARIS — This city's musical calendar has had a shot of adrenaline in the last few days with the opening of the ninth Presences festival of contemporary music and the visit of two major American orchestras.

In a total of 20 concerts running to Feb. 14, the festival, organized by Radio France, has its usual heavy dose of new works: 21 first performances, 33 being heard for the first time in France, and a dozen the result of commissions by Radio France. A wide audience is virtually guaranteed not only by Radio France's broadcasts, but also by free access to the concerts — all you have to do is get there early enough to get a seat.

The festival this year is built around two themes. One is the music of the prolific French composer Pascal Dusapin, 45, with 14 of his compositions programmed. The other is a presumed Paris-New York-Montreal axis, which brings to the programs the works of several

young and not-so-young composers from the two North American cities.

The opening concert Friday offered two of Dusapin's densely written "solos" for orchestra, his concert for cello and orchestra, with Sonia Wieder-Atherton as the virtuoso soloist, and the first performance of Eric Tanguy's "Intrada," for orchestra. The Radio's Orchestre National, under Pascal Rophe, was on its best behavior.

Of the forthcoming concerts, one on Friday has particular interest, with the "L.A. Variations" of Esa-Pekka Salonen, who is better known as the musical director of the Los Angeles Philharmonic, and "Viviane of Avalon," which is the opening scene of an as yet uncompleted opera, "Merlin," by the Argentine-born New York composer Ezequiel Vinaso.

Aside from Radio France's orchestras, the concerts are being undertaken by two Canadian ensembles, the Nouvel Ensemble Moderne and the Societe de Musique Contemporaine du Quebec, while the Continuum and Orpheus Chamber groups are on hand from New York.

The Cleveland Orchestra was in town for two concerts, the second of which, on Sunday at the Cite de la Musique, included two works by Charles Ives that are hardly customary touring fare. "Central Park in the Dark" is relatively well-known, but not the "Emerson Concerto," a highly concentrated 20-minute work for piano and orchestra that occupied Ives most of his life. It was given its French premiere in a "reconstitution" by David G. Porter, with Alan Feinberg as the supremely confident soloist and the Clevelanders under Christoph von Dohnanyi in solid support.

The San Francisco Symphony is also making its way through Europe, with Michael Tilson Thomas and some uncustomary programming. On Monday at the Theatre des Champs-Elysees, the soprano Dawn Upshaw charmed the audience in the course of eight of Marie-Joseph Canteloube's "Chants d'Auvergne," singing the dialect as if she were born to it. The orchestra followed this with a sonful and expressive reading of Mahler's Fifth Symphony. It was no ordinary night in the concert hall.

An Award for Sachar's 'Holes'

New York Times Service

PHILADELPHIA — The 1999 Newbery Medal for children's literature has been awarded to a darkly comic novel about a schoolboy's mysterious adventure. The winning book, "Holes," by Louis Sachar, is about a boy named Stanley Yelnats who is convicted for a crime he did not commit and serves time at Camp Green Lake, a bizarre juvenile detention center in a dry Texas wasteland. The award is given by the American Library Association.

Although "Holes," which won the National Book Award for young people's literature in November, was the popular and critical favorite, it was an exceptionally strong year for fiction and nonfiction alike, and librarians and publishers expressed surprise that only one honor book, or secondary award, was given, for "A

Long Way From Chicago," a novel by Richard Peck.

There was something of a wintry theme on the picture book side. The Caldecott Medal for illustration went to Mary Azarian, a Vermont artist, for "Snowflake Bentley," her account of the life of Wilson Bentley, an early photographer of snowflakes, illustrated with distinctive woodcuts.

In a separate development, the Young Adult Library Services Association, a division of the American Library Association, has agreed to the establishment of a separate award for the best young-adult book for readers ages 12 to 18 based on literary merit.

As with the Newbery and Caldecott awards, the winner will be announced at the midwinter meeting of the association. Only books published by youth divisions or dedicated children's publishers will be considered.

BOOKS

THE CRIME OF SHEILA MCGOUGH

By Janet Malcolm. 164 pages. \$22. Alfred A. Knopf.

Reviewed by Richard Bernstein

IN "The Crime of Sheila McGough," Janet Malcolm continues the iconoclastic and over-determined crusade that she began in her two last books, "The Journalist and the Murderer" and "The Silent Woman: Sylvia Plath and Ted Hughes."

In those works, Malcolm likened journalists to confidants who betray their subjects without remorse, while biographers are like "professional burglars," plundering the lives of their subjects for their own purposes. The work of both, she maintained, inevitably involves the creation of narratives that are as likely to deform the truth as to respect it.

Malcolm's subject in her new book is criminal justice, or, more accurately, the way in which a trial is not a search for the truth but a battle between two competing narratives, the prosecution's and the defense's. Like her previous works, "The Crime of Sheila McGough" presents a fascinating case study, in this instance the apparently unjust conviction of McGough, a lawyer, for participating in the white-collar crimes of one of her clients.

But Malcolm's main theme is, as before, the vexing power of the person who controls the words, who invents

the narrative and who thus prevails over the truth.

Also as before, she makes far too much of her theory. In some respects what she does in all three of these books is state in catchy, seemingly incisive epigrammatic form what are actually rather obvious problems in real-world investigations, most obviously that the truth is difficult to determine and moreover that there are unscrupulous or careless or lazy people out there who manipulate and falsify.

And so, on the one hand, Malcolm provides useful insights into the reality that often lies behind appearances. On the other, she inflates these particular insights into all-purpose conclusions that wreak the same injustice on the complex and elusive truth as the false narratives she exposes. An additional though related flaw is discernible in her new book. While Malcolm makes a persuasive case that McGough was indeed victimized by a false narrative, some of the author's main conclusions are undermined by the very evidence she presents.

First things first: Malcolm has performed a useful public service in re-examining the case of McGough, a dedicated but naive defense lawyer from Virginia. McGough, who spent two and a half years in prison and was disbarred, was the defense lawyer for a lifetime con artist named Bob Bailes, accused of defrauding a bank by lying to get a loan. In the course of defending him, McGough gave the appearance that she

had crossed the line from defense into illegal participation in Bailes's crimes, for which she was indicted and convicted.

Malcolm shows, by getting to know McGough well and by carefully examining the evidence, that the conviction

was probably wrong. But she goes beyond this to a further belief. McGough says she was so assiduous and unyielding in her defense of her clients that she ended up irritating federal judges and prosecutors, and for that reason was prosecuted herself, on what

she contends were trumped-up charges. Malcolm agrees. "It seems scarcely possible that in this country someone could go to prison for merely being irritating," she writes, "but as far as I can make out, this is indeed what happened to Sheila McGough."

That argument is so thoroughly contradicted by Malcolm's own evidence that one wonders if she really believes it. Yet in a tricky way, by advancing it, she seems to engage in the same sort of narrative oversimplification that she claims is inevitable, even as the rest of her reporting shows that it is not inevitable at all.

The idea that McGough was prosecuted for "merely being irritating" is, as journalists often put it, a good story, one invested with paradox, with Kafkaesque absurdity, with government abuse of power.

To her credit, Malcolm, whose view of McGough is nuanced and complicated, provides plenty of information about the case, so that the messy, shapeless, uninteresting truth becomes known, even if it is a truth that subverts the author's interpretation.

"Historical reconstruction in all cases gives rise to structures that are more like ruins than proper buildings," she writes.

In all cases? The skillful act of historical reconstruction that Malcolm performs in this book is a paradoxical refutation of her own simplifying and sensationalist theoretical position.

BEST SELLERS

The New York Times		
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on the list are not necessarily consecutive.		
FICTION		
This Week	Last Week	Weeks on List
1 SOUTHERN CROSS, by Patricia Cornwell	1	11
2 A MAN IN FULL, by Tom Wolfe	1	11
3 THE NIGHT, by Dean Koontz	2	3
4 BILLY STRAIGHT, by Jonathan Kellerman	3	3
5 IN DANGER'S PATH, by W.E.B. Griffin	4	3
6 THE CAT WHO SAW STARS, by Lillian Jackson Braun	5	3
7 THE SIMPLE TRUTH, by David Baldacci	6	3
8 THE POISONWOOD BIBLE, by Barbara Kingsolver	7	3
9 HARRY POTTER AND THE CHAMBER OF SECRETS, by J.K. Rowling	8	7
10 ANGELS' FLIGHT, by Michael Chabon	9	3
11 WHEN THE WIND BLOWS, by James Patterson	10	3
12 MEMOIRS OF A GEISHA, by Armin Greder	11	3
13 CHARMING BILLY, by Alice McDermott	12	3
14 A NIGHT WITHOUT STARS, by Ian McEwan	13	3
15 THE GREATEST GENERATION, by Tom Brink	14	3
16 TUESDAY WITH MORRIE, by Mitch Albom	15	3
17 THE CENTURY, by Peter Jennings and Todd Brewster	16	3
18 BLIND MAN'S BLUFF, by Sherry Long and Christopher Drew	17	3
19 THE LOVE OF THE GAME, by Michael Jordan	18	3
20 CONVERSATIONS WITH GOD: Book 1, by Neale Donald Walsch	19	3
21 THE PROFESSOR AND THE MADMAN, by Simon Winchester	20	3
22 A WALK IN THE WOODS, by Bill Bryson	21	3
23 THE DEATH OF OUTRAGE, by William J. Bennett	22	3
24 CONVERSATIONS WITH GOD: Book 2, by Neale Donald Walsch	23	3
25 THE TEN COMMANDMENTS, by Laura Spillenger and Stewart Krieger	24	3
26 THE ENDURANCE, by Caroline Alexander	25	3
27 THE ART OF HAPPINESS, by the Dalai Lama and Howard C. Cutler	26	3
28 WHY NOT ME? by Al Franken	27	3
29 CARELESS LOVE, by Peter Guralnick	28	3
30 ADVICE, HOW-TO AND MISCELLANEOUS, by Philip C. McGraw	29	3
31 25 STEPS TO FINANCIAL FREEDOM, by Sue Gorman	30	3
32 SUPER BUSTERS!, by H. Leighton Steward et al.	31	3
33 ONE DAY MY SOUL JUST OPENED UP, by Lydia Vanzzani	32	3
34 THE GREATEST GENERATION, by Tom Brink	33	3
35 TUESDAY WITH MORRIE, by Mitch Albom	34	3

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NYSE

Tuesday's 4 P.M. Close

The 2,300 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

12 Month High Low Stock Div Yld PE 100 High Low/Last Chg

12 Month High	12 Month Low	Stock	Div	Yld	PE	100 High	Low/Last	Chg
12.00	11.00	IBM	3.00	2.8	15.0	120.00	115.00/116.00	+1.00
11.00	10.00	Microsoft	0.50	1.2	25.0	100.00	95.00/96.00	+1.00
10.00	9.00	Apple	0.20	1.5	20.0	80.00	75.00/76.00	+1.00
9.00	8.00	Oracle	0.40	2.0	18.0	70.00	65.00/66.00	+1.00
8.00	7.00	Sun	0.30	1.8	22.0	60.00	55.00/56.00	+1.00
7.00	6.00	HP	0.25	1.6	21.0	50.00	45.00/46.00	+1.00
6.00	5.00	Motorola	0.20	1.4	19.0	40.00	35.00/36.00	+1.00
5.00	4.00	Intel	0.15	1.3	17.0	30.00	25.00/26.00	+1.00
4.00	3.00	Cisco	0.10	1.1	16.0	20.00	15.00/16.00	+1.00
3.00	2.00	Northern Telecom	0.05	0.8	14.0	10.00	5.00/6.00	+1.00
2.00	1.00	WorldCom	0.02	0.6	12.0	5.00	2.00/3.00	+1.00
1.00	0.50	Verizon	0.01	0.4	10.0	2.00	1.00/1.50	+0.50

12 Month High	12 Month Low	Stock	Div	Yld	PE	100 High	Low/Last	Chg
10.00	9.00	AT&T	0.40	1.8	22.0	60.00	55.00/56.00	+1.00
9.00	8.00	Comcast	0.30	1.6	20.0	50.00	45.00/46.00	+1.00
8.00	7.00	Time Warner	0.20	1.4	18.0	40.00	35.00/36.00	+1.00
7.00	6.00	News Corp	0.15	1.2	16.0	30.00	25.00/26.00	+1.00
6.00	5.00	Disney	0.10	1.0	14.0	20.00	15.00/16.00	+1.00
5.00	4.00	Amgen	0.05	0.8	12.0	10.00	5.00/6.00	+1.00
4.00	3.00	Boeing	0.02	0.6	10.0	5.00	2.00/3.00	+1.00
3.00	2.00	Lockheed Martin	0.01	0.4	8.0	2.00	1.00/1.50	+0.50
2.00	1.00	General Electric	0.05	0.5	7.0	1.00	0.50/0.75	+0.25
1.00	0.50	Walmart	0.01	0.3	6.0	0.50	0.25/0.40	+0.15
0.50	0.25	Target	0.00	0.2	5.0	0.25	0.10/0.20	+0.10

12 Month High	12 Month Low	Stock	Div	Yld	PE	100 High	Low/Last	Chg
10.00	9.00	Johnson & Johnson	0.40	1.8	22.0	60.00	55.00/56.00	+1.00
9.00	8.00	Pfizer	0.30	1.6	20.0	50.00	45.00/46.00	+1.00
8.00	7.00	Merck	0.20	1.4	18.0	40.00	35.00/36.00	+1.00
7.00	6.00	Novartis	0.15	1.2	16.0	30.00	25.00/26.00	+1.00
6.00	5.00	Roche	0.10	1.0	14.0	20.00	15.00/16.00	+1.00
5.00	4.00	Novo Nordisk	0.05	0.8	12.0	10.00	5.00/6.00	+1.00
4.00	3.00	Novartis	0.02	0.6	10.0	5.00	2.00/3.00	+1.00
3.00	2.00	Novartis	0.01	0.4	8.0	2.00	1.00/1.50	+0.50
2.00	1.00	Novartis	0.00	0.3	7.0	1.00	0.50/0.75	+0.25
1.00	0.50	Novartis	0.00	0.2	6.0	0.50	0.25/0.40	+0.15
0.50	0.25	Novartis	0.00	0.1	5.0	0.25	0.10/0.20	+0.10

12 Month High	12 Month Low	Stock	Div	Yld	PE	100 High	Low/Last	Chg
10.00	9.00	Novartis	0.40	1.8	22.0	60.00	55.00/56.00	+1.00
9.00	8.00	Novartis	0.30	1.6	20.0	50.00	45.00/46.00	+1.00
8.00	7.00	Novartis	0.20	1.4	18.0	40.00	35.00/36.00	+1.00
7.00	6.00	Novartis	0.15	1.2	16.0	30.00	25.00/26.00	+1.00
6.00	5.00	Novartis	0.10	1.0	14.0	20.00	15.00/16.00	+1.00
5.00	4.00	Novartis	0.05	0.8	12.0	10.00	5.00/6.00	+1.00
4.00	3.00	Novartis	0.02	0.6	10.0	5.00	2.00/3.00	+1.00
3.00	2.00	Novartis	0.01	0.4	8.0	2.00	1.00/1.50	+0.50
2.00	1.00	Novartis	0.00	0.3	7.0	1.00	0.50/0.75	+0.25
1.00	0.50	Novartis	0.00	0.2	6.0	0.50	0.25/0.40	+0.15
0.50	0.25	Novartis	0.00	0.1	5.0	0.25	0.10/0.20	+0.10

12 Month High	12 Month Low	Stock	Div	Yld	PE	100 High	Low/Last	Chg
10.00	9.00	Novartis	0.40	1.8	22.0	60.00	55.00/56.00	+1.00
9.00	8.00	Novartis	0.30	1.6	20.0	50.00	45.00/46.00	+1.00
8.00	7.00	Novartis	0.20	1.4	18.0	40.00	35.00/36.00	+1.00
7.00	6.00	Novartis	0.15	1.2	16.0	30.00	25.00/26.00	+1.00
6.00	5.00	Novartis	0.10	1.0	14.0	20.00	15.00/16.00	+1.00
5.00	4.00	Novartis	0.05	0.8	12.0	10.00	5.00/6.00	+1.00
4.00	3.00	Novartis	0.02	0.6	10.0	5.00	2.00/3.00	+1.00
3.00	2.00	Novartis	0.01	0.4	8.0	2.00	1.00/1.50	+0.50
2.00	1.00	Novartis	0.00	0.3	7.0	1.00	0.50/0.75	+0.25
1.00	0.50	Novartis	0.00	0.2	6.0	0.50	0.25/0.40	+0.15
0.50	0.25	Novartis	0.00	0.1	5.0	0.25	0.10/0.20	+0.10

12 Month High	12 Month Low	Stock	Div	Yld	PE	100 High	Low/Last	Chg
10.00	9.00	Novartis	0.40	1.8	22.0	60.00	55.00/56.00	+1.00
9.00	8.00	Novartis	0.30	1.6	20.0	50.00	45.00/46.00	+1.00
8.00	7.00	Novartis	0.20	1.4	18.0	40.00	35.00/36.00	+1.00
7.00	6.00	Novartis	0.15	1.2	16.0	30.00	25.00/26.00	+1.00
6.00	5.00	Novartis	0.10	1.0	14.0	20.00	15.00/16.00	+1.00
5.00	4.00	Novartis	0.05	0.8	12.0	10.00	5.00/6.00	+1.00
4.00	3.00	Novartis	0.02	0.6	10.0	5.00	2.00/3.00	+1.00
3.00	2.00	Novartis	0.01	0.4	8.0	2.00	1.00/1.50	+0.50
2.00	1.00	Novartis	0.00	0.3	7.0	1.00	0.50/0.75	+0.25
1.00	0.50	Novartis	0.00	0.2	6.0	0.50	0.25/0.40	+0.15
0.50	0.25	Novartis	0.00	0.1	5.0	0.25	0.10/0.20	+0.10

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12 Month High	12 Month Low	Stock	Div	Yld	PE	100 High	Low/Last	Chg
10.00	9.00	Novartis	0.40	1.8	22.0	60.00	55.00/56.00	+1.00
9.00	8.00	Novartis	0.30	1.6	20.0	50.00	45.00/46.00	+1.00
8.00	7.00	Novartis	0.20	1.4	18.0	40.00	35.00/36.00	+1.00
7.00	6.00	Novartis	0.15	1.2	16.0	30.00	25.00/26.00	+1.00
6.00	5.00	Novartis	0.10	1.0	14.0	20.00	15.00/16.00	+1.00
5.00	4.00	Novartis	0.05	0.8	12.0	10.00	5.00/6.00	+1.00
4.00	3.00	Novartis	0.02	0.6	10.0	5.00	2.00/3.00	+1.00
3.00	2.00	Novartis	0.01	0.4	8.0	2.00	1.00/1.50	+0.50
2.00	1.00	Novartis	0.00	0.3	7.0	1.00	0.50/0.75	+0.25
1.00	0.50	Novartis	0.00	0.2	6.0	0.50	0.25/0.40	+0.15
0.50	0.25	Novartis	0.00	0.1	5.0	0.25	0.10/0.20	+0.10

12 Month High	12 Month Low	Stock	Div	Yld	PE	100 High	Low/Last	Chg
10.00	9.00	Novartis	0.40	1.8	22.0	60.00	55.00/56.00	+1.00
9.00	8.00	Novartis	0.30	1.6	20.0	50.00	45.00/46.00	+1.00
8.00	7.00	Novartis	0.20	1.4	18.0	40.00	35.00/36.00	+1.00
7.00	6.00	Novartis	0.15	1.2	16.0	30.00	25.00/26.00	+1.00
6.00	5.00	Novartis	0.10	1.0	14.0	20.00	15.00/16.00	+1.00
5.00	4.00	Novartis	0.05	0.8	12.0	10.00	5.00/6.00	+1.00
4.00	3.00	Novartis	0.02	0.6	10.0	5.00	2.00/3.00	+1.00
3.00	2.00	Novartis	0.01	0.4	8.0	2.00	1.00/1.50	+0.50
2.00	1.00	Novartis	0.00	0.3	7.0	1.00	0.50/0.75	+0.25
1.00	0.50	Novartis	0.00	0.2	6.0	0.50	0.25/0.40	+0.15
0.50	0.25	Novartis	0.00	0.1	5.0	0.25	0.10/0.20	+0.10

12 Month High	12 Month Low	Stock	Div	Yld	PE	100 High	Low/Last	Chg
10.00	9.00	Novartis	0.40	1.8	22.0	60.00	55.00/56.00	+1.00
9.00	8.00	Novartis	0.30	1.6	20.0	50.00	45.00/46.00	+1.00
8.00	7.00	Novartis	0.20	1.4	18.0	40.00	35.00/36.00	+1.00
7.00	6.00	Novartis	0.15	1.2	16.0	30.00	25.00/26.00	+1.00
6.00	5.00	Novartis	0.10	1.0	14.0	20.00	15.00/16.00	+1.00
5.00	4.00	Novartis	0.05	0.8	12.0	10.00	5.00/6.00	+1.00
4.00	3.00	Novartis	0.02	0.6	10.0	5.00	2.00/3.00	+1.00
3.00	2.00	Novartis	0.01	0.4	8.0	2.00	1.00/1.50	+0.50
2.00	1.00	Novartis	0.00	0.3	7.0	1.00	0.50/0.75	+0.25
1.00	0.50	Novartis	0.00	0.2	6.0	0.50	0.25/0.40	+0.15
0.50	0.25	Novartis	0.00	0.1	5.0	0.25	0.10/0.20	+0.10

Continued on Page 14

Bedford
and other care

Poised
to
radiate
tariffs

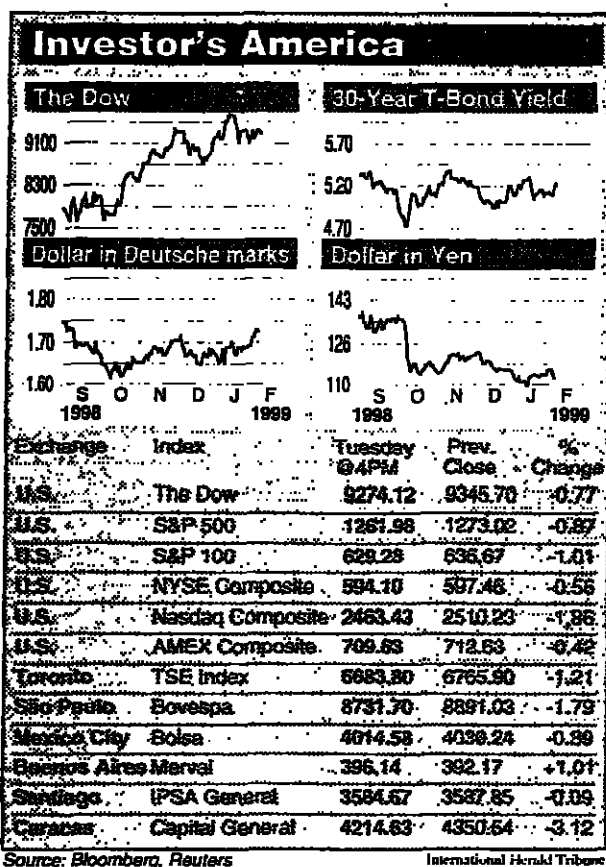
Sleep
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09/21/2015

THE AMERICAS



Worries About Higher Rates Hit Stocks

Compiled by Our Staff From Dispatches

NEW YORK — Stocks fell Tuesday as higher interest rates caused concern about future corporate profits at the same time investors were taking profits in technology shares.

The Dow Jones industrial average closed 71.58 points lower at 9,274.12, and the Standard & Poor's 500 index finished 11.02 points lower at 1,261.98. The technology-heavy Nasdaq composite index ended 46.66 points lower at 2,463.43. Declining issues outnumbered advancing ones by a 2-to-1 ratio on the New York Stock Exchange.

Investors were worried about higher interest rates in the Treasury bond market, where the yield on the

benchmark 30-year issue has risen 16 basis points in the past two days. The yield rose to 5.24 percent from 5.17 percent Monday; the issue was yielding 5.08 percent Friday. The price fell 28 3/32 point to 100 4/32.

Analysts said the Federal Reserve's policy-setting Federal Open

U.S. STOCKS

Market Committee, which will finish its two-day meeting Wednesday, might show a bias toward raising interest rates. "The fact of the matter is that more people are worried about them tightening," said Trude Latimer, an independent stockbroker.

The higher bond rates and the pos-

sibility that the Fed may shift its stance have investors concerned that companies are going to have to rely on strong earnings — and not lower interest rates — to keep their stock prices aloft, said Tom Galvin at Donaldson, Lufkin & Jenrette Securities.

"We're at a tough transition point," he said, because while fourth-quarter earnings reports were generally strong, "most investors don't have a lot of confidence" in earnings going forward.

Investors were particularly worried about the high valuations of technology stocks, some of which have risen spectacularly despite showing little or no profits.

E*Trade Group, an on-line brokerage, fell 4 3/16 to 58 1/4, and

Tech Data lost 1 1/2 to 20 5/16 after the computer distributor warned its earnings would lag forecasts because it was cutting prices to keep pace with cuts by rivals.

Microsoft fell 5 5/16 to 167 1/4 on worries that its profit would not justify its price/earnings ratio of 66. The stock rose 117 percent in the past year, more than quadruple the 25 percent gain in the S&P 500.

But Dell Computer, the most active U.S. stock, bucked the trend, rising 3/4 to 103 1/4.

Computer-related shares "get a little bit ahead of themselves at times," said W. Shannon Reid, at First Capital Group. "Markets can't go up every day and all the time."

(Reuters, AP, Bloomberg)

Judge Blocks Internet Sex-Sites Law

Child Online Protection Act Is Found to Violate Free-Speech Rights

By John Schwartz
Washington Post Service

WASHINGTON — A federal judge in Philadelphia has blocked a law designed to protect minors from sexually explicit commercial sites on the World Wide Web on the ground that it would restrict constitutionally protected speech.

"Despite the court's personal regret that this preliminary injunction will delay once again the careful protection of our children, I without hesitation acknowledge the duty imposed on the court and the greater good such duty serves," wrote U.S. District Judge Reed in his ruling, which was appointed to the bench in 1987 by President Ronald Reagan.

Judge Reed's order imposed a preliminary injunction against the Child Online Protection Act and stopped the law from taking effect at midnight Monday, when a temporary restraining order he granted in November would have expired.

"Naturally, we're delighted by the decision," said Christopher Hansen, staff counsel for the American Civil Liberties Union, which is leading a coalition of groups challenging the law.

"We've always said these cases are about speech," he said. "The government can't argue that these cases are about dollars and cents."

Judge Reed came down on the side of speech. The Web sites deserve the highest possible level of protection by the courts, "not because of the risk of driving certain commercial Web sites out of busi-

ness but the risk of driving this particular type of protected speech from the marketplace of ideas," he ruled.

Chris Watney, a spokeswoman for the Justice Department, said only that government lawyers were "reviewing" the judge's decision.

The injunction means that the government will not be able to enforce the law until the challenge to it can be heard and decided. Such injunctions are granted on the likelihood that the challenge will be successful, so that language is read carefully for subtle clues to a court's views.

The Child Online Protection Act is the second major attempt by Congress to protect children from adult materials found on-line. The first, the Communications Decency Act, was passed in 1996 and struck down

in 1997 by the Supreme Court as unconstitutional. That bill made it a crime to make "indecent" or "patently offensive" material available to minors via computer networks.

The so-called child-protection act, passed in November, was designed to be more narrow. Instead of trying to regulate the entire Internet and its patchwork of varied technologies, it focuses on commercial Web sites.

The law requires purveyors of material that would be "harmful to minors" to take steps to keep minors from gaining access to their sites, for example by requiring a credit-card number for entry. Those found guilty of violating the act could be fined hundreds of thousands of dollars in fines and imprisoned for as long as six months.

Shaman to Drop Drug Lines

New York Times Service

LOS ANGELES — Shaman Pharmaceuticals Inc., a biotechnology company that relied on tribal healers to provide leads for new drugs, will cease its pharmaceutical operations and lay off 60 people, or 65 percent of its work force.

Lisa Conte, Shaman's chief executive, said Monday the company decided to cease drug development after the Food and Drug Administration told Shaman it would require additional clinical trials before approving the company's first drug, to treat diarrhea in AIDS patients.

She said the company had thought, based on previous discussions with the agency, that it had already completed sufficient testing.

The company, based in South San Francisco, California, will now try to enter the herbal diet supplement business, which is growing rapidly and is far less heavily regulated.

Shaman said it would move assets into the privately held Shaman Botanicals, a subsidiary that might be spun off someday.

Shaman's stock, which tumbled to 40.625 cents Monday from 87.50 cents Friday, plummeted again Tuesday and was quoted in late trading at 21.875 cents, down 18.75 cents.

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Asian Giant In Newsprint

The Associated Press

MONTREAL — Abitibi-Consolidated Inc. said Tuesday it had formed a \$1.35 billion joint venture with Norske Skogindustrier A/S and Hansol Paper Co. to create the biggest newsprint and paper company in continental Asia.

The Canadian, Norwegian and South Korean companies will each control a third of the venture, which joins the Asian operations of the three partners.

Abitibi-Consolidated said the Asian deal, along with other recent moves, will help lower the company's costs and making it potentially more profitable in a weak global market.

"With our partnership in this venture, our recent acquisition of the Snowflake, Arizona, mill and our strategy to retire high cost machines, Abitibi-Consolidated is advancing on a portfolio of low-cost assets and improving returns to shareholders," said Jim Doughan, the president.

Abitibi-Consolidated, one of the world's largest newsprint makers, operates 19 mills in North America and in Britain.

The tentatively named Pan Asian Paper Co., headquartered in Singapore, has four modern mills in South Korea, China and Thailand and an annual production capacity of 1.425 million tons. The company has about 20 percent of the market in the Asian-Pacific region.

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Bond Yields In Japan Help Yen to Rise

Compiled by Our Staff From Dispatches

NEW YORK — The dollar fell against the yen Tuesday as sharp increases in Japanese bond yields increased expectations that Japanese companies would repatriate yen before Japan's fiscal year ends March 31.

"The spike up in the bond yields means that the Japanese will not have as great an appetite for U.S. bonds because the yields between the two are narrowing," said Gram Wilson, a trader at Mellon Bank.

Yields on Japanese long-term bonds rose sharply after Finance Minister Kiichi Miyazawa said

FOREIGN EXCHANGE

he was not dissatisfied with the recent rise in long-term interest rates. The dollar fell to 112.145 yen in 4 P.M. trading on Tuesday from 115.05 yen Monday.

"The keys underpinning the move down in the dollar are the constant and building repatriation concerns," said Lisa Finstrom, currency analyst at Salomon Smith Barney.

Comments from Eisaku Sakakibara, Japan's vice finance minister for international affairs, also weighed on the dollar. Mr. Sakakibara said the U.S. economy was too strong and would slow down later in the year. He also said the Japanese economy would bottom out in the middle of this year and that, if the U.S. economy did remain the sole engine of world growth, it was likely to raise the issue of protectionism.

"The comments from Sakakibara seem confrontational," Ms. Finstrom said, adding that trade relations could become more strained.

U.S. Treasury Secretary Robert Rubin said Tuesday the U.S. supported a strong dollar, and he vowed not to use the dollar as a tool of trade policy. U.S. currency policy remains "absolutely unchanged," he said.

In other trading, the euro was little changed against the dollar on expectations that the European Central Bank would leave interest rates on hold Thursday. U.S. Federal Reserve policymakers, who met Tuesday and will resume meeting Wednesday, are also expected to keep rates unchanged. The euro rose to \$1.1341 from \$1.1338 on Monday, and the pound fell to \$1.6388 from \$1.6412. The dollar fell to 1.4133 Swiss francs from 1.4217 francs.

(Bridge News, Bloomberg)

U. S. STOCK MARKET DIARY

Tuesday, Feb. 2

Index	Open	High	Low	Close	Change
Dow Jones	9274.12	9274.12	9274.12	9274.12	-71.58
S&P 500	1261.98	1261.98	1261.98	1261.98	-11.02
Nasdaq	2463.43	2463.43	2463.43	2463.43	-46.66

Index	Open	High	Low	Close	Change
Standard & Poor's	1261.98	1261.98	1261.98	1261.98	-11.02
Nasdaq	2463.43	2463.43	2463.43	2463.43	-46.66
AMEX	100.00	100.00	100.00	100.00	-0.00

Index	Open	High	Low	Close	Change
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EUROPE

Who's Most Ready for 21st Century? Denmark

By Daniel Liefgreen
Special to the Herald Tribune

DAVOS, Switzerland — The question of how ready countries are for the 21st century is a natural one for the World Economic Forum, the annual meeting of some of the world's movers, shakers and deep thinkers that ends Wednesday.

A small group of consultants and executives based in Europe spent the past week trying to answer it. This week they presented their "European Future Readiness Index," ranking the 15 countries in the European Union on how prepared they were.

To add context, the report also assigned ratings to the United States, Japan and Canada.

The countries were evaluated on

economic performance, fairness, "harmony" and general readiness for the future. The study looked at everything from the number of Internet connections per person to the impact of organized crime on business.

Denmark came out on top, earning top marks (an 87.3 rating on a scale of 100) because of strong economic performance, low health-care costs, a low crime rate and a small percentage of people living below the poverty line.

Austria came in second with a score of 87.2, primarily because of good marks for environmental protection and high youth employment.

Ireland, with an 87.0 rating, placed third and drew plaudits because "it combines the highest growth rate in

Europe with relatively little pollution and gets good grades on the dimensions of health, employment and education," the study said.

At the bottom was Italy, with a 75.0 rating. It was described as a "laggard" because it suffers from high unemployment and a business environment hampered by organized crime.

Canada, the United States and Japan, the non-European members of the Group of Seven industrial nations, ranked in the middle.

Canada had an 85.5 rating, the United States followed with 84.4, and Japan scored 83.5.

"Many would have expected the Anglo-Saxon economies to score higher," said David Morrison, a World Economic Forum staffer who

helped coordinate the study.

While the United States scored well in areas such as economic growth, education and technology, it scored poorly in three areas — pollution, health-care costs and crime.

Mr. Morrison described the report as "a first cut aimed at stimulating debate." He said there were "a lot of subjective criteria" on the list but said that by the summer, "we will have a new and improved version."

Others who helped coordinate the study were Hubert Joly, president of Electronic Data Systems Corp. in France; Fields Wicker-Munir, a vice president at the consulting firm A.T. Kearney in Britain; and Ulrich Schmauder, chief executive of Siemens AG of Germany.

2 Big Firms Gain Edge in Italy Phones

Compiled by Our Staff From Dispatches

MILAN — Olivetti SpA and Mannesmann AG said Tuesday that their sweetened bid for Cellular Communications International Inc. had succeeded, giving them a tighter grip on Italy's booming mobile-phone market.

Olivetti and Mannesmann, the second-largest phone companies in Italy and Germany, said they had obtained 55.4 percent of CCI, a U.S. company whose sole asset is a 10.3 percent stake in Omnitel Pronto Italia, Italy's third-ranking mobile-phone operator.

This requires CCI's remaining holders to sell at the \$80-a-share price the two phone companies paid for the 55.4 percent stake.

Analysts estimate Omnitel's value at between \$20 billion and \$30 billion, compared with the \$17.5 billion valuation implicit in the price Olivetti and Mannesmann paid for CCI.

Olivetti and Mannesmann were eager to clinch the friendly takeover in the rapidly consolidating mobile-phone sector, which last month saw Vodafone PLC snap up AirTouch Communications Inc. of the United States.

The Italian and German companies, which already control Omnitel, wanted to take over CCI because they wanted to increase their profit from the cellular network. They raised their offer last month after CCI investors rejected a bid of \$65.75 a share to too low.

Olivetti's shares closed in Milan at 3.40 euros (\$3.85), up 0.02. Mannesmann's shares finished in Frankfurt at 131.20 euros, up 1.70.

(Reuters, Bloomberg, Bridge News)

Pilots' Stake In Air France

Bloomberg News

PARIS — Air France said Tuesday its pilots would own between 6.3 percent and 7.4 percent of Europe's third-largest airline after the government sold a minority stake in the company this month.

Some 78.8 percent of the pilots agreed to take a pay cut in exchange for equity stakes, the company said. It said the concession would save the airline 250 million francs (\$43.1 million) in the first year and an average of 235 million francs a year after that. The pact is expected to shield the airline from strikes for at least three years.

The government plans to sell one-fifth of the carrier in the initial public offering this month in addition to shares it will sell to employees.

Recession in Asia Creates a Loss at KLM

Traffic Fell in 3d Period as Rivals Quit the Pacific and Jammed Atlantic Routes

Compiled by Our Staff From Dispatches

AMSTELVEEN, Netherlands — KLM Royal Dutch Airlines NV posted a loss for its third quarter Tuesday of 20 million guilders (\$14.9 million) and said it was a sign of the battle with recession in Asia.

The loss reversed a profit of 46 million guilders a year earlier. Sales fell to 3.14 billion guilders from 3.23 billion guilders.

KLM said its North Atlantic services had suffered because many other airlines had switched their flights from Southeast Asian routes to the North Atlantic as a result of the economic troubles in Asia.

The company said performance in mainland Europe was "relatively strong," citing improved labor productivity and cost controls.

KLM did not give details about how its cost-cutting program was progressing.

KLM relies more on long-distance routes and cargo operations than do rivals such as Lufthansa AG, whose profit is helped by a strong domestic market.

The carrier said its load factor, or percentage of seat and cargo capacity filled, fell 2.4 percentage points to 75.1 percent in the three months that ended Dec. 31.

Cargo traffic fell 2 percent in the quarter. KLM, which generates about 15 percent of its sales from cargo, said recent reports had been "more positive," as cargo traffic rose 1 percent in December.

KLM generates 40 percent of cargo traffic in Asia and 28 percent

on North Atlantic routes.

KLM said "global economies remained weak" in the third quarter but did not discuss what this would mean for KLM's prospects after the end of its current financial year March 31.

The outlook is still difficult for KLM, cargo is still depressed," said Dick de Haan, an analyst at Gestion NV in Amsterdam.

KLM said its results also had been hurt by a six-week strike at Northwest Airlines, its U.S. partner.

The airline also announced that European Union antitrust investigators had extended an investigation into its planned acquisition of a majority stake in the Dutch charter carrier Martinair Holland NV.

(Bloomberg, AP)

WORLD STOCK MARKETS

Tuesday, Feb. 2

Prices in local currencies

in euros for ECU countries.

Tel Aviv

High Low Close Prev.

Amsterdam

AEX index: 329.79

Previous: 329.79

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The 1,000 most traded National Market securities in terms of dollar value, updated twice a year.

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100

Tuesday's 4 P.M. Close
The 150 most traded stocks of the day,
up to the closing on Wall Street.

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ANNOUNCEMENT OF EXTENSION OF DEADLINE FOR PURCHASE OF PREQUALIFICATION DOCUMENTS FOR AN INTERNATIONAL TENDER FOR THE ERECTION OF A WATER FILTRATION AND TREATMENT FACILITY

Mekorot Water Co. Ltd., a government owned company (hereinafter "Mekorot") hereby announces that pursuant to the invitation for Prequalification of an international tender for the erection of a water filtration and treatment facility advertised on January 6/1999 and pursuant to applications from potential interested parties requesting an extension of the period for purchasing the Prequalification Documents, Mekorot has decided to allow purchase of the Prequalification Documents during the period beginning February 1st 1999 and ending February 7th 1999.

It is clarified that this extension does not alter any of the other deadlines determined in the Invitation and in the Prequalification Documents.

The Prequalification Documents may be purchased in the amount of NIS 4,000 (+VAT) from Mekorot Water Co. Ltd., 9 Lincoln Street Development Department Hall 7th Floor, Tel Aviv - Israel 61201 Telephone: 972-3-6230772 (Mr. Bar-Lev) - Facsimile: 972-3-6230598

between 08:00 and 14:00 hours on regular working days, from the date of advertisement up to February 7th 1999, inclusive. Applications shall take note that requests for clarifications of the Prequalification Documents will be accepted by Mekorot only up to February 15th 1999, and that all deadline dates in the Prequalification Documents run from January 6th 1999.

At the time of purchasing the Prequalification Documents, the name, address, telephone and facsimile number of the Applicant as well as the name of the person in Mekorot may contact must be provided. All applications for prequalification must be completed in English and be submitted to the above address no later than noon 12:00 Israel local time on April 8th 1999.

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RICH: *Money's Dark Side*

Continued from Page 1

Affluence, per se, does not necessarily result in an unsatisfying life. Problems are primarily associated with "living a life where that's your focus," Mr. Ryan said. Nevertheless, the negative psychological picture does seem to be associated with the extent to which people believe they are already on the way to attaining extrinsic goals.

ignoring "know your customer" rules, which require them to screen clients' resources and expertise. "Many take anybody with some cash," said Denise Voigt Crawford, a Texas securities commissioner.

This is a dramatic shift in sentiment from earlier generations, who lived in the shadow of the Great Depression and were largely indifferent to Wall Street.

aware of the stock market, they become more comfortable with its risks, analysts say. Along with investors under age 30 who are too young to remember the last protected down-

"I'd still hang in," she said. "don't think I'd sell anything right now."

February 2, 1999

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Investor's Asia

in yields. "Many experts say that the planned issue of government bonds will be absorbed smoothly in the market," he said. "I think there will be no major negative impact."

But some economists worry that with the future of the economy still uncertain, politicians seem to be sinking into a feeling of complacency, now that they have secured a giant bank bailout and a \$200 billion package of lending and spending to stimulate the economy.

"In Japan, crisis is inevitable because without action, there will be crisis, and without crisis, there can be no action," said Andrew Smithers, a longtime Japan analyst who runs his own economic advisory business. "It's amazing how big a crisis it has to be in Japan."

Last week, the central bank governor, Dai Xianglong, said the bank had altered its original plans to shrink the 239 remaining trust companies to only 30 or 40. Instead, there will be fewer mergers but tighter supervision of the industry, he said. (AFP/Bloomberg Reuters)

Very briefly:

- **Bank of Taiwan**, the island's largest commercial bank, cut its prime lending rate to large corporate customers to 7.20 percent from 7.25 percent in response to an interest-rate cut Monday by the central bank.
- **Kuala Lumpur's** stock exchange reprimanded four publicly traded companies and fined three of them for breaching its rules, including late publishing of annual reports.

Blueberry News

SingTel lost its mobile monopoly to MobileOne Asia. A third cellular operator, StarHub Pte., will start operating in April 2000.

By Don Kirk
International Herald Tribune

trade surplus with the United States

While Mr. Fisher was informing South Koreans of the U.S. decision to go to the WTO on beef, Finance Minister Lee Kyu Sung, predicted that the South Korean economy would grow 2 percent this year.

Mr. Lee's estimate jibed with the conclusion of a team from the International Monetary Fund, which is concluding a quarterly review here. "Things are better than we thought," said Bijan Aghevli, leading the team as deputy director of the IMF's Asia and Pacific department.

Reviews

Boeing said PAL agreed in September 1996 to buy seven B747-400 aircraft worth about \$900 mil-

Boeing also called PAL's rehabilitation plan "moot and academic" for not identifying sources of the \$150 million the company said it would raise to stay in business.

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WORLD ROUNDUP

Taylor Stands Down

CRICKET Mark Taylor, the Australian captain, announced his retirement from international cricket on Tuesday, saying his heart was no longer in the game.

"I know that today I've made the right decision," Taylor said. "I am starting to lose the edge to compete, particularly on the international stage." Taylor, 34, said he wanted to spend more time with his family but would like to stay involved in the game, either as a television commentator or an administrator. (Reuters)

Carling Is Coming Back

RUGBY Will Carling, the former England captain, said Tuesday that he was coming out of a 13-month retirement to play for Harlequins. Carling, 33, quit Harlequins in January of last year after a dispute with the coach, Andy Keast, who has since been dismissed. (AP)

Payton Needs Transplant

FOOTBALL The former Chicago Bear star Walter Payton has a rare liver disease and needs a transplant. His doctor said Tuesday in Chicago that Payton was being placed on a list to receive a liver transplant. The cause of the disease — primary sclerosing cholangitis — is not known, but is not related to alcohol, steroids, hepatitis or any kind of immunodeficiency disease, Dr. Joseph Lagattuta said. (AP)

Padres Trade 50 Homers

BASEBALL San Diego's Greg Vaughn, who hit 50 homers last year, was traded to the Cincinnati Reds in a five-player deal Tuesday that sent Reggie Sanders to the Padres. (AP)

Goalie Makes His Case

HOCKEY With all the great goaltending in the NHL, it may be hard to pick out a Vezina Trophy winner this season. Now Ottawa's Ron Tugnutt has joined the race. With the help of another fine defensive performance by his teammates, Tugnutt backstopped the surging Senators to a 1-0 victory over the Vancouver Canucks on Monday night. Tugnutt only had to make 14 saves as he lowered his NHL-leading goals-against average to 1.58. Elsewhere, it was Philadelphia, Los Angeles 2, New Jersey 2, Detroit 2; Washington 3, New York Rangers 1; Dallas 2, Calgary 2; St. Louis 4, Edmonton 3, in overtime; and San Jose 5, Chicago 1. (AP)

Player of Year: Zidane

SOCCER Zinedine Zidane has won the 1998 FIFA Player of the Year award. France's World Cup-winning hero received 518 votes to 164 for Ronaldo of Brazil. Croatia's Davor Suker was third with 108. (AP)

IOC Credibility Faulted
As Drug Summit Opens
Ability to Lead Anti-Doping Effort DoubtfulBy Paul Montgomery
New York Times Service

LAUSANNE, Switzerland — Governments of some of the leading sports nations, including the United States and most of the European Union, asserted Tuesday that the credibility of the International Olympic Committee had been too seriously damaged to allow it the lead role in the international campaign against sports doping.

The British government expects the IOC to clean up its act," said Tony Banks, the British minister of sport.

The head of the American delegation at the international anti-doping congress here, General Barry McCaffrey, the White House drug policy director, said in a statement distributed to all 650 registrants that because of recent bribery scandals the IOC was in danger of losing its moral force.

"Let me say but respectfully note that recent examples of alleged corruption, lack of accountability, and the failure of leadership have challenged the legitimacy of this institution," he said. "These events have tarnished the credibility of the movement."

The president of the IOC, Juan Antonio Samaranch, 78, who is presiding at the sessions here, listened expressionless to the succession of barely polite criticisms of his tenure since 1980 as head of the Olympic movement.

Mr. Samaranch, who uses his Spanish aristocratic title Marquis de Samaranch in official pronouncements, only displayed a bit of emotion when the IOC members whom he had personally pushed through to election gave full-scale praise to his leadership.

The anti-doping congress, called last fall after a summer of scandal at the Tour de France and elsewhere, was originally meant to reassert the priority of the IOC in matters of international sport.

Then, in December, came revelations of bribery and other questionable conduct in allocating the Olympics to bidding cities. So far, four of the then 115 members have resigned, and five others have been suspended pending expulsion by the full IOC, meeting here next month. In addition, an undetermined number of members are still under investigation.

The aim of the anti-doping conference is to establish an international agency to control the corrosive problem, to standardize prohibited substances and penalties in the various sports, and to create an alternative for young athletes who might believe that performance-enhancing drugs are the way to competition at the highest levels.

As late as last Sunday, Mr. Samaranch said that he should oversee the international agency, and that his associate, the Belgian aristocrat Prince Alexandre de Merode, should be in charge.

The anti-doping effort, headed by the prince since its inception 30 years ago, is generally considered ineffective in the light of previous scandals and last summer's revelations. Critics say that the Olympics have concealed evidence of drug use by athletes to maintain the immensely lucrative commercial viability of the Games. In all, 49 presentations about doping were presented at

the congress on Tuesday. It was one of the rare times in the 105-year history of the Olympic movement that governments have had input into the internal workings of the IOC.

The first presentation, by the German sports minister, Otto Schily, set the tone. Mr. Schily, who presides over sports matters during the current six-month German presidency of the European Union, urged immediate reform of the IOC, with introduction of nonsecret voting, open financial accounts and democratic election of members.

The EU sports ministers are to meet in Bonn in May, with IOC reform very much on the agenda.

Earlier, in an interview on German television, Schily called the IOC "a kind of constitutional monarchy of sport" and said of Samaranch, "Everyone must know when it's time to go."

General McCaffrey said that an independent drug agency would have to work "365 days of the year" and not just at competitions, and must be free to choose which athletes to test and where.

He also repeated a proposal to preserve urine and blood samples from winning athletes so that even years later, when new tests for currently undetectable drugs are found, the samples could be retested and the athletes stripped of their medals if found positive.

Frank Shorter, the American gold-medal winner in the marathon at the 1972 Olympics and silver-medal winner in 1976, said he had been greatly encouraged by the determination shown at the conference here to root out drug use.

"He said athletes who were 'clean' often had the perception that the Olympic movement regarded drug testing as a public relations exercise rather than a real effort to find cheaters. He said he hoped creation of a truly independent international anti-doping agency would remove temptation from young athletes."

Shorter said that he had a 19-year-old son who was considering a career in distance running. "I don't want him to have to decide between drugs and not," he said. "As an athlete, I was waiting 22 years for something like this meeting to happen, and today it finally did."

Sydney Is Cleared

The IOC cleared Sydney on Tuesday of any wrongdoing in connection with financial inducements offered on the eve of Sydney's selection as host of the 2000 Summer Games. The Associated Press reported from Lausanne, Jacques Rogge, an IOC executive board member, reviewed the documents of Sydney's bid and said, "No cash money was given, no under the table payment."

A Tour de France Rider Hails Crackdown on Doping

By Samuel Abt
International Herald Tribune

PARIS — Wearing the yellow jersey of the overall leader, Chris Boardman crashed out of the Tour de France last summer during just the second of 21 stages and was recuperating at his home in England while the bicycle race was being nearly scuttled by a drug scandal, police raids and rider protests. From where Boardman sat, the view was grim.

"I thought it was heavy-handed," he said of the crackdown by police and court officials. "Some of this information had been in police possession for months and they chose to use it during the Tour de France," he continued in a recent interview. "I thought it was political, using the Tour de France as a tool."

Boardman was voicing a standard rider response to events that included the expulsion of the Festina team for systematic use of illicit, performance-enhancing drugs, the questioning of a half-dozen other teams, two slowdowns by the riders and the eventual withdrawal of five teams.

What Boardman, 30, leader of the Credit Agricole team and the holder of the hour record ride against the clock, said next, though, was singular: "Perhaps it was necessary. Now I'm starting to think maybe there is no other way to do it. You have to risk killing the patient for the cure."

"My feeling is that there's a very real possibility that the face of cycling will have been dramatically changed," the Briton added. "I think it will take two years, but I suspect that in the next couple of months, as racing gets under way, it will be quite a changed picture. If that's the case, great."

As the International Olympic Committee sponsors a three-day conference in Switzerland on doping in sports, the thoughtful and articulate Boardman may be speaking for only a handful of riders; he is known, as is his Credit Agricole team, which was formerly sponsored by Gan, for his strong opposition to drugs. More hopefully, his words may represent a general change in riders' attitudes.

"Whenever it is, he said he welcomed strong steps to clean up his sport."

"The drug thing in total has been a very disappointing period," he said. "But we now have the most stringent anti-drug program of possibly any sport in the world. We have four medical tests a year to build up a rider's medical profile. All teams. If you want a license to race, you must adhere to these rules."

These tests are designed to discover swings in a rider's hematocrit level — the percentage of red cells in his blood — which, when it surpasses 50 percent,



The IOC president, Juan Antonio Samaranch, making his opening address on Tuesday in Lausanne.

Sword Missing? Maybe IOC Fell on It

By Kevin Sullivan
Washington Post Service

TOKYO — So where's the sword? A missing Japanese samurai sword, hand-made by one of Japan's most revered craftsmen and valued at as much as \$20,000, is the latest twist in the scandal enveloping the International Olympic Committee and its embattled president, Juan Antonio Samaranch.

Two Japanese Olympic officials say they personally saw Samaranch accept the prized sword in a Nagano hotel room in May 1991, one month before the IOC awarded Nagano the 1998 Winter Games. But Samaranch, according to IOC officials, has "no recollection at all" of receiving the sword.

The IOC says it has "absolutely no record" of any such gift to Samaranch and says that despite "thorough" reviews — last week and again Tuesday — they have found no sword in the Olympic museum in Lausanne, Switzerland, or in any of the other places where official gifts are stored.

"I don't know — maybe the sword is somewhere in the Indian Ocean," said Soichiro Yoshida, a key figure on the Nagano Olympic bidding committee. "Maybe it disappeared here. It's a mystery."

The sword has become a frustrating mystery in Japan, where the corruption scandal centering on the awarding of the 2002 winter Games to Salt Lake City, Utah, has prompted Japanese officials to investigate whether Nagano officials improperly used lavish gifts and entertainment to buy the votes of IOC members.

Nagano officials have said they turned the bid committee's records as a "courtesy" to IOC members to whom they had played host.

The sword clearly has become an irritation to Samaranch and the IOC as it struggles to contain the Salt Lake City scandal, which has spread suspicion and allegations to other Olympic cities.

"We have a big painting, two small paintings and lots of knives, but no swords," an IOC spokesman, Franklin Servan-Schreiber, said Tuesday after checking the records a second time and consulting again with Samaranch. "We asked the president himself, the chief of staff, the director of marketing, all of whom were on that trip, and there is no recollection of a sword."

The IOC has issued a written statement detailing what it described as false reports about the sword. Referring to a recent news conference at which Nagano's governor, Goro Yoshimura, alleged that Samaranch had accepted the sword, the IOC denied the allegation, "with due respect to the governor of Nagano."

But in an interview Tuesday, a second Nagano bidding committee official backed up Yoshimura's account, saying he was also in Samaranch's hotel room when he received the sword.

"It is absolutely true that we presented a sword to Mr. Samaranch, but what happened afterward we don't know," said Fumio Watanabe, a Nagano government official who was the bidding committee's official in charge of transportation for visiting dignitaries.

Watanabe said the sword had been

presented to Samaranch in his room at the Tokura Town Inn. He said Samaranch had just arrived and was relaxing in his room when Tsuchihara Takahashi, one of Japan's leading sword makers, arrived and gave him an 11-inch sword he had made specially for Samaranch.

Watanabe said Takahashi handed Samaranch the sword and gave him a brief explanation about it. Watanabe said he and Yoshimura were present, as well as two or three other people whose names he could not remember.

Takahashi died in August 1996. Samaranch has steadfastly defended his acceptance of gifts from officials in cities bidding to host the Games. He argues that he is not subject to the IOC's ban on accepting gifts valued at more than \$150 because he does not vote on where the Games will be held. He says gifts he receives become property of the IOC and that many of them are displayed in the Olympic museum.

The mystery sword is a special curiosity in Japan because this nation has some of the toughest laws in the world on registration of all kinds of weapons.

The idea that such a valuable sword could disappear is baffling to people here. Yoshimura said the sword presented to Samaranch was registered in the name of Yoshida, the Nagano bidding committee official. Yoshimura said Yoshida's name had been used as a "convenience," without Yoshida's knowledge.

"I was so shocked," Yoshida said in an interview Tuesday, adding that he knew nothing about a sword being presented to Samaranch.

health. Obviously it's bad for the sport, but first I'm concerned about your health.

"I know it's hard for you," Legay continued in his rider's account. "But they will have their comeback. At some point, a couple of days, weeks, months, it may even be years, it will explode."

"That," Boardman concluded, "has now basically happened."



VICTORY — Franck Vandenbroucke of Belgium winning the first race of the road cycling season Tuesday in Gardanne, France.

CROSSWORD

ACROSS

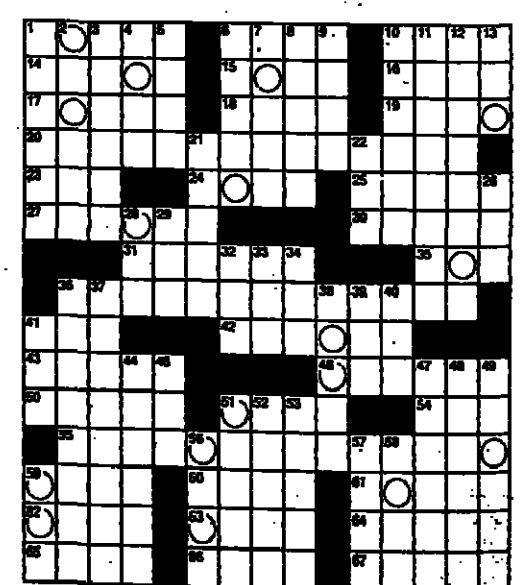
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17 Coin of Stockholm
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19 Hunting target
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- 25 1950's White House name
27 "Jeopardy!" host
30 Place to view a Goya
31 Is responsible for
32 Midmorning
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41 "Alice" waitress
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Solution to Puzzle of Feb. 2

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RIN LURED LOADS
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ACT NOOSE AMEN
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POSTCARD

An Artistic Fusion

By Carol Vogel
New York Times Service

NEW YORK — In an effort to stay as up-to-the-minute as its name, the 70-year-old Museum of Modern Art has reached an agreement to merge with the small, cutting-edge P.S. 1 Center for Contemporary Art in Long Island City, Queens.

The merger is a marriage of resources and innovation. It will give the Modern a far greater involvement with art of the moment, which it has long been accused of slighting in favor of the earlier movements that helped place in the 20th-century canon. It will also give the Manhattan museum a presence in another borough, help it reach a younger audience and give it access to new exhibition space at a time when it will have to shut down parts of its building on West 53d Street during a major expansion.

For P.S. 1, the 28-year-old showcase for contemporary work that has helped attract a number of artists to its neighborhood, the union will provide access to the Modern's vast collection and deep pockets and to marketing resources that will likely bolster its visibility.

"The opportunities are unprecedented," said Glenn Lowry, director of the Modern, adding that the future of his museum "lies in its commitment to contemporary art."

The deal also promises to be a boost for working-class Long Island City, where the Modern is also buying a nearby building for storage, offices and workshops.

The city owns the P.S. 1 building. The Romanesque Revival edifice was a public school, which was closed by the Board of Education in

1976, and the center has been established there for more than 20 years.

Just how much financial support the Modern plans to invest in P.S. 1 is unclear, in part because the details of the merger will be ironed out over the next 60 days. While one trustee estimated that the Modern's direct investment would not be more than about \$100,000 a year, its greater aid will likely come in fundraising help and cross-marketing efforts in which, for example, both museums can be featured in joint mailings.

Alanna Heiss, P.S. 1's founding director, will remain its head, but she will report to Lowry. Heiss will also become a deputy director of the Modern. Meanwhile, Lowry said, several members of the Modern's board will serve on P.S. 1's board. He likened the relationship to one between a university and one of its constituent schools.

Heiss said that concern about her center's long-run prospects following a successful \$8.5 million renovation two years ago led her to think of a merger. "I started worrying about our stability long-term," she said.

"We've always been able to borrow works when we need them. But to have access to MOMA's collection and its curatorial expertise is a tremendous resource for us."

The financial support will also be important, she said. The Modern has an endowment of about \$300 million, a world-class collection of more than 100,000 works of contemporary and modern art and objects, and a reputation for organizing blockbuster exhibitions of legendary artists like Picasso, Bonnard and Pollock.

Victoria and Albert Museum Polishes Its Profile

By Alan Riding
New York Times Service

LONDON — The Victoria and Albert Museum has not been a happy house in recent years. It was thrown into disarray in 1988 when eight senior curators were dismissed overnight as part of a management shake-up. It was deluged with bad publicity when it introduced admission charges in 1996. And more recently it has been under attack from traditionalists for lacking an adventurous plan to add an ultramodern extension to its late 19th-century red brick building.

The museum's troubles did not end there. After some National Lottery profits were assigned to arts projects in the mid-1990s, the Tate Gallery, the British Museum and the Royal Opera House quickly won financing for expensive expansions and renovations. When it was the Victoria and Albert's turn to seek funds, it was turned down, not only for its avant-garde extension, but also, initially, for the renovation of its British Galleries. Understandably, it began to seem like the Cinderella of South Kensington.

Last November, the V&A, as it is widely known, finally got a break: The Royal Borough of Kensington and Chelsea unexpectedly authorized construction of the proposed extension, known as the Spiral, that had provoked such a storm of criticism. In one daring decision, approved by eight votes to four and overruling a recommended rejection by planning officers, the council gave a huge boost for modern architecture in London and a much-needed vote of confidence for the museum.

"I think it is a good omen," said Alan Borg, who became the museum's director in 1995 after running the Imperial War Museum. "We benefited from the feeling that it was time Britain did something in architecture. But it was also recognition that we are a dynamic museum, with lots of things that other museums don't have."

On that, there is no debate. The V&A has the world's largest collection of applied and decorative arts, spanning 2,000 years and embracing ceramics, metalwork, jewelry, furniture and textiles. It drew 230,000 visitors in its 12 acres (3 hectares) and seven miles (11 kilometers) of galleries, also include sculptures, paintings, drawings, prints and photographs. And as home to the National Art Library, it is a respected research center and publisher of art books.

Yet in an era when museums compete more



Alan Borg, director of the Victoria and Albert: "We are a dynamic museum."

with blockbusters than with scholarship, the V&A is bound to struggle for media attention. It regularly puts on original shows of design through the ages, but these cannot compete in glamour — or attendance numbers — with, say, the recent Cézanne and the coming Jackson Pollock retrospectives at the Tate Gallery or the current crowd-pleaser, "Monet in the 20th Century," at the Royal Academy.

"We need to refocus the public perception by showing that this museum is part of the contemporary world," Borg, a 57-year-old art historian, said in an interview. "And we aim to do this more visibly and with a higher profile."

In a sense, the museum began to do so with "Cutting Edge," a 1997 show of avant-garde fashion that drew 230,000 visitors. The museum will also present "Design and the Digital Age," this summer, and "brand.new," a show about branding new products, next year. Its main event in 2000 will be "Art Nouveau 1890-1914," a major exhibition on art and design that will travel to the National Gallery of Art in Washington.

Nothing, of course, will identify the V&A more with the 21st century than construction of the Spiral, the "rumbling boxes" extension designed by the American architect Daniel Libeskind (who has just completed the new Jewish Museum in Berlin). But there is a catch: If the V&A is to have any hope of raising the \$110 million needed to build the Spiral from lottery grants and private contributions, it must first polish its image.

Interestingly, it began this "profile building," as Borg puts it, in North America in 1997 with an ambitious exhibition, "Grand Design: The Art of the Victoria and Albert Museum," organized and presented first by the Baltimore Museum of Art. The show has traveled to Boston, Toronto and Houston, and will be seen at the Fine Arts Museums in San Francisco from Feb. 13 to May 9. Its final stop will be the V&A itself, for a three-month display starting Oct. 14.

Beyond presenting a selection of prized objects in a way that illustrates the museum's unusual history, "Grand Design" also seeks to remind visitors that in the 19th century the

V&A served as a role model for many American museums, including those of Baltimore, Boston, and Brooklyn, New York. "The idea was to use the museum as an overtly educational instrument, to teach art and design, to be useful, to do something for the public," Borg said.

In truth, in creating the Museum of Manufactures in 1852, just after the Great Exhibition of 1851, the government saw it principally as a way of raising the standards of British design in the context of the Industrial Revolution.

Its educational role was added by its founding director, Henry Cole, who saw the museum being "elevated from being a mere unintelligible lounge for idlers into an impressive schoolroom for everyone." Renamed the South Kensington Museum, it opened on its present site on the corner of Exhibition Road and Cromwell Road in 1857.

But by May 1899, when Queen Victoria gave the museum its present name in memory of her consort, the V&A had lost its populist touch. Even now, while the V&A has many fervent admirers, a good many Londoners stay away, believing erroneously that it is a museum of Victorian art.

In looking to the future, Borg has therefore sought inspiration in the museum's earliest years. "I think the museum should be trying to lead taste, to show people what is good design from the past and the present," he said. "We should take some risks; we can even say, 'This will be the next big thing.'"

He clearly has plenty on his plate with managing the museum's 800-member staff and an annual budget of about £40 million (\$65 million), promoting its new contemporary image and finding the money for the £30 million renovation of the British Galleries. As a result, many London art experts believe that the Spiral is too ambitious.

Borg, though, is unfazed. He said that the success of the new Guggenheim Museum in Bilbao, Spain, had shown what modern architecture can do for a city. He also noted that according to polls commissioned by the V&A, public attitudes toward the Spiral in London had gone from largely hostile to slightly favorable.

"Just as changing opinion resulted in planning permission, we're not unhelpful that opinion will also swing the lottery institutions," Borg said. "The next 12 months are important because we have momentum, we have support."

PEOPLE

AMONG the big winners at the TV Guide Awards in Los Angeles were the "X-Files" star David Duchovny and "Buffy the Vampire Slayer." Duchovny was voted favorite actor by TV Guide readers, and was named sexiest and best-dressed male in a separate on-line poll. "Buffy the Vampire Slayer" won in seven of the Internet survey categories, including best science-fiction fantasy show. Its star, Sarah Michelle Gellar, was voted sexiest female. "Frasier" was voted best comedy series, while "ER" won for best drama series. In the on-line poll, the winner for best pet was Joey's duck, Hercules, in the series "Friends."

Johnny Depp was back to his bad-boy ways when he chased off photographers with a piece of wood outside a trendy London restaurant, the police said. They held the actor for almost four hours after the fracas at Mirabelle, where he had dined with the French singer and actress Vanessa Paradis, newspapers reported. "Johnny Depp is a person who

guards his privacy," his publicist said in a statement. "He had asked photographers to abstain from photographing him. Unfortunately, they persisted and intentionally provoked him."

The mezzo-soprano Marilyn Horne and the late composer-educator William Schuman are among 14 people

chosen this year for the American Classical Music Hall of Fame and Museum in Cincinnati. The inductees, who were announced Monday, also include the music division of the Library of Congress. The others are the composers Bela Bartok, Amy Marcy Beach, Charles Tomlinson Griffes, William Grant Still and Edgard Varese; the violinist Jascha Heifetz; the conduct-

ors Max Rudolf and Dimitri Mitropoulos, and the composer-educator George Whitefield Chadwick. They are to be honored April 24.

Goldie Hawn and Samuel L. Jackson are the recipients of Harvard's annual Hasty Pudding awards, given to performers who have made a "lasting and impressive contribution to the world of entertainment." Hawn will lead a parade through the streets of Harvard Square on Feb. 11 with male students dressed in drag. Jackson will be honored Feb. 18, at the opening night performance of the troupe's annual theatrical production.

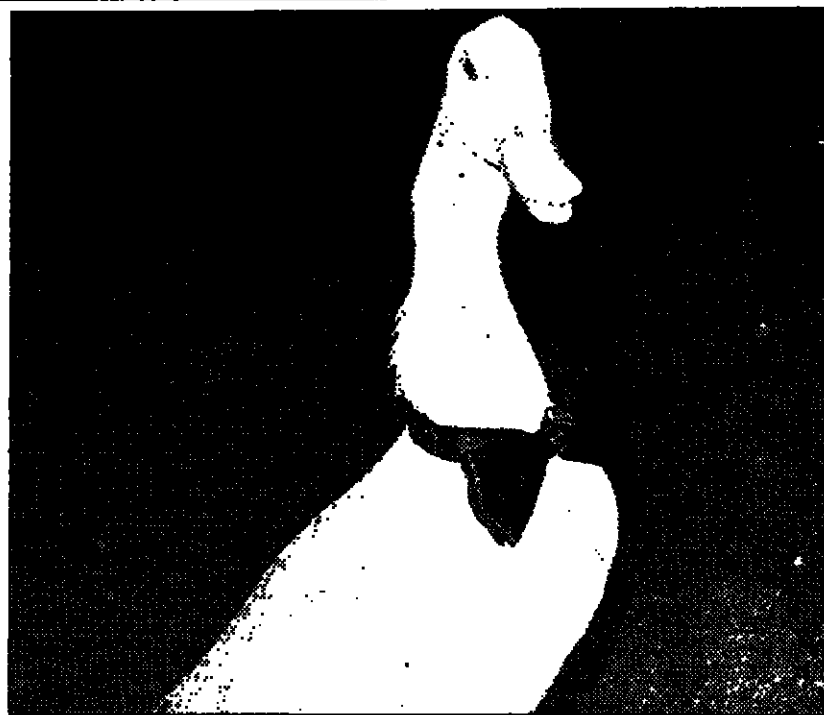
More than 700 items from the Long Island estate of Madame Chiang Kai-Shek, the 101-year-old widow of the former Chinese leader, Chiang Kai-Shek, were sold at auction in South Norwalk, Connecticut, over the weekend. A pair of French chandeliers sold for \$62,500, and a clock sold for \$65,000.

Gearing Up for the Berlin Film Festival

Reuters

BERLIN — The true story of a lesbian love affair in Nazi Germany will open the 49th Berlin Film Festival on Feb. 10, its organizers said Tuesday. "Aimee und Jaguar," a German production that tells the story of a housewife and her Jewish journalist lover, is one of 25 films from Europe, Asia and North America that will compete for the festival's Golden Bear award.

The American actress Shirley MacLaine will be presented with a lifetime achievement award at a screening of her 1980 feature "Being There," which co-starred Peter Sellers, and the late Austrian director Otto Preminger will be honored in a retrospective. "Shakespeare in Love," "eXistenZ" by David Cronenberg and the World War II drama "The Thin Red Line" are among U.S. productions vying for the top award. France will be represented by "Au Coeur du Mensonge" (At the Heart of the Lie) by Claude Chabrol.



Hercules, favorite pet, according to an on-line poll for TV Guide.

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